

troops parading and of having been led by my father in safety beside the cavalry, and then I remember, too, on two or three other occasions indistinctly how my childish heart was stirred by martial music and the tramp, tramp, tramp of the boys as they marched away.

The years that have intervened, however, have made incarnate some of the phases of that mighty struggle, and the recent experiences in my home have intensified and deepened the significance of it all. When that call came from President Wilson in our recent Mexican trouble, out from my own home one young man, strong, and loving liberty, gave himself to his country only to come back to be carried out to the hill beyond the town to wait the Resurrection Morn. Ah, men, I have counted it an honor that his grave should be marked with a simple stone that is given to the private. The deeper current had run through the thought of that young man's life, and he and the older man would not have been strangers had they met here on the floor of this House. It was fortunate that DANIEL W. COMSTOCK was permitted to have a part in that great struggle in the great Civil War, to be a determining factor in seeing to it that the principles which have made this Government possible in perpetuity were made safe by the sacrifice of his time, his talent, and the endangering of his life.

The name of Oliver P. Morton has been mentioned upon the floor of this House to-day. In one of the keenest fought political battles of all the stress of that war Oliver P. Morton went before the people of our State and said:

The Constitution and laws of the United States operate immediately and directly upon the individual and not upon the State and as if there were no States intervening.

He succeeded in that conflict and no doubt DANIEL W. COMSTOCK worked to the end that that principle might obtain in human government; and after the lapse of more than 50 years to be permitted upon this floor to vote for bills that make it possible that this war shall be efficiently conducted was but a vote in harmony with the convictions of a lifetime. Fortunate, indeed, was his entrance into the Congress of the United States. He was wise, careful, dignified, kind, gentle—one of the old school; aged, indeed, but not decrepit, but retaining the fierce fires intellectually of his youth, held by the firmness of his judgment and directed effectively in the doing of his duty.

May I not in passing say that perhaps the aged are not appreciated as they should be? I know no benediction like that of the young man coming close to the man of age, worthy, of high ideals, strong and yet tempered by his experiences—no greater benediction can come to any young man. So I have sought to know the older men of the House, perhaps reckoned among them, and yet with more than twenty years between Mr. Comstock and myself. May we not prize to-day the opportunity to have listened to the recounting of the experiences of his life. We have come here from strangely differing communities. We have known each other for but a short time, and yet the membership of this House has been tied together by a common experience, by the mighty responsibilities that have been put upon the individual Members, in a way that could not have occurred probably in several sessions. I felt a little diffident even about speaking to-day, because I had not known Mr. Comstock. But after having heard gentlemen talk who knew of his career I shall feel that in a sense I knew him. I felt, even in the short acquaintance, that I could learn to love and respect permanently the life that was behind him, because he bore in his attitude toward men and in the manner in which he addressed this House evidence of a cultivated mind and a gentle spirit.

The SPEAKER pro tempore. Under the special order authorizing these services, the House now stands adjourned.

Accordingly (at 1 o'clock and 32 minutes p. m.) the House adjourned to meet to-morrow, Monday, February 18, 1918, at 12 o'clock noon.

SENATE.

MONDAY, February 18, 1918.

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

Almighty God, we pray for the spiritual uplift that will fit us for the duties of this day and of this office. Our words carry far in this place, and the influence of passion and purpose and principle touches many lives. Fit us for the sacred and solemn obligations that have come upon us in the Divine Providence. May our work be pleasing in Thy sight. For Christ's sake. Amen.

The Secretary proceeded to read the Journal of the proceedings of the legislative day of Friday, February 15, 1918, when, on request of Mr. JONES of Washington and by unanimous consent,

the further reading was dispensed with and the Journal was approved.

Mr. JONES of Washington. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Henderson	New	Sterling
Bankhead	Hitchcock	Nugent	Stone
Beckham	Hollis	Page	Sutherland
Calder	Johnson, S. Dak.	Pearse	Swanson
Chamberlain	Jones, N. Mex.	Phelan	Thomas
Culberson	Jones, Wash.	Pittman	Thompson
Cummins	Kellogg	Poindeexter	Tillman
Curtis	Kendrick	Pomerene	Townsend
Dillingham	Kenyon	Robinson	Trammell
Fernald	King	Saulsbury	Underwood
Fletcher	Knox	Sheppard	Vardaman
France	Lodge	Shields	Warren
Frelinghuysen	McCumber	Simmons	Watson
Gallinger	McKellar	Smith, Ga.	Weeks
Hale	McNary	Smith, Mich.	Williams
Harding	Martin	Smith, S. C.	Wolcott
Hardwick	Nelson	Smoot	

Mr. BECKHAM. I wish to announce that my colleague [Mr. JAMES] is absent on account of illness.

Mr. SUTHERLAND. I desire to announce that my colleague [Mr. GORF] is detained by illness.

The VICE PRESIDENT. Sixty-seven Senators have answered to the roll call. There is a quorum present.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, transmitted to the Senate resolutions on the life and public services of Hon. Daniel W. Comstock, late a Representative from the State of Indiana.

DISPOSITION OF USELESS PAPERS.

The VICE PRESIDENT. The Chair lays before the Senate a communication from the Secretary of the Interior, transmitting a schedule of useless papers on the files of the Department of the Interior, which have no permanent value or historical interest, and requesting action looking to their disposition. The communication and accompanying papers will be referred to the Joint Select Committee on the Disposition of Useless Papers in the Executive Departments. The Chair appoints the Senator from Maryland [Mr. FRANCE] and the Senator from New Hampshire [Mr. HOLLIS] the committee on the part of the Senate. The Secretary will notify the House of Representatives thereof.

PETITIONS AND MEMORIALS.

Mr. KNOX presented a petition of the Lumberman's Exchange of Philadelphia, Pa., praying for the enactment of legislation providing for a board of war control and a director of munitions; which was referred to the Committee on Military Affairs.

He also presented petitions of the Single-Tax Club, of Pittsburgh; of the Women's Trade Union League, of Philadelphia; of the Central Labor Council, of Pittsburgh; and of the Get-Together Club, of Pittsburgh, all in the State of Pennsylvania, praying for the submission of a Federal suffrage amendment to the legislatures of the several States; which were ordered to lie on the table.

He also presented a petition of the Woman's Fortnightly Review, of Mount Lebanon, Pittsburgh, Pa., and a petition of the Shadyside United Presbyterian Church, of Pittsburgh, Pa., praying for the adoption of an amendment to the Constitution to prohibit polygamy; which were referred to the Committee on the Judiciary.

He also presented a petition of the Pennsylvania State Board of Agriculture, praying for the enactment of legislation to prohibit the importation of nursery stock into the United States in order to prevent the introduction of insect pests and plant diseases; which was referred to the Committee on Agriculture and Forestry.

Mr. CHAMBERLAIN presented petitions of sundry citizens of Spokane, Wash., praying for the adoption of universal military training; which were referred to the Committee on Military Affairs.

Mr. CURTIS presented a petition of George H. Thomas Post, No. 18, Grand Army of the Republic, Department of Kansas, of Ottawa, Kans., praying for universal military training, which was referred to the Committee on Military Affairs.

He also presented a resolution of Reno Post, No. 183, Grand Army of the Republic, Department of Kansas, of Nickerson, Kans., praying for an increase in the pensions to veterans of the Civil War, which was referred to the Committee on Pensions.

He also presented a memorial of the Retail Merchants' Association, of Osawatimie, Kans., remonstrating against the repeal of the advanced second-class postage rates, which was referred to the Committee on Post Offices and Post Roads.

He also presented a petition of the Woman's Kansas Day Club, of Topeka, Kans., praying for the submission of a Federal suffrage amendment to the legislatures of the several States, which was ordered to lie on the table.

Mr. McLEAN presented a petition of the Bohemian National Alliance of New Britain, of sundry Lithuanian citizens of Waterbury, and of sundry Lithuanian citizens of Naugatuck, all in the State of Connecticut, praying for the liberation and unification of the Czecho-Slovaks of Austria-Hungary into one independent Czecho-Slovak State, which were referred to the Committee on Foreign Relations.

He also presented a petition of the State Council of Defense, war bureau, of Meriden, Conn., praying for the drafting of all aliens representing the countries of our allies and of military age on the same conditions and under the same regulations that apply to American citizens, which was referred to the Committee on Military Affairs.

He also presented petitions of sundry citizens of Fairfield, Hartford, New Haven, Tolland, Middlesex, Windham, and New London Counties; of the Equal Franchise League of Madison; and of sundry citizens of Milford, all in the State of Connecticut, praying for the submission of a Federal suffrage amendment to the legislatures of the several States, which were ordered to lie on the table.

Mr. PHELAN presented a petition of the board of supervisors of San Diego County, San Diego, Cal., praying that transportation instead of money pay be issued to tubercular persons among the soldiers who are discharged from service at Camp Kearney, San Diego, so as to insure their returning to their home State instead of remaining in California, which was referred to the Committee on Military Affairs.

EDWARD W. WHITAKER.

Mr. CHAMBERLAIN, from the Committee on Military Affairs, to which was referred the bill (S. 2646) for the relief of Edward W. Whitaker, reported it without amendment and submitted a report (No. 281) thereon.

BILLS INTRODUCED.

Bills were introduced, read the first time and, by unanimous consent, the second time, and referred as follows:

By Mr. BECKHAM:

A bill (S. 3885) granting an increase of pension to Calloway Simpson;

A bill (S. 3886) granting a pension to W. H. Odum; and

A bill (S. 3887) granting an increase of pension to Samuel F. Kelly; to the Committee on Pensions.

By Mr. ROBINSON:

A bill (S. 3888) for increasing the efficiency of Army bands; to the Committee on Military Affairs.

By Mr. SMITH of Michigan:

A bill (S. 3889) granting an increase of pension to Merritt S. Harding; and

A bill (S. 3890) granting an increase of pension to Hiram Corbin (with accompanying papers); to the Committee on Pensions.

By Mr. PHELAN:

A bill (S. 3891) granting an increase of pension to Henrietta Archer Forbes (with accompanying papers); to the Committee on Pensions.

By Mr. OWEN:

A bill (S. 3892) to amend and reenact section 5200, Revised Statutes of the United States;

A bill (S. 3893) to amend and reenact section 5239, Revised Statutes of the United States;

A bill (S. 3894) to amend and reenact section 5147, Revised Statutes of the United States;

A bill (S. 3895) to regulate the allowance of overdrafts by national banking associations and to provide penalties for its violation;

A bill (S. 3896) to amend and reenact section 691a of chapter 18, subchapter 7, of the Code of Laws of the District of Columbia;

A bill (S. 3897) to amend and reenact section 713 of chapter 18, subchapter 10, of the Code of Laws of the District of Columbia;

A bill (S. 3898) to require cashiers and other officers of a national banking association handling its funds to give bond and to prevent its officers and employees from making erasures on the books of the association;

A bill (S. 3899) to repeal the sixth section of an act approved July 12, 1882, entitled "An act to enable national banking associations to extend their corporate existence, and for other purposes";

A bill (S. 3900) to amend and reenact section 5172 of the Revised Statutes of the United States;

A bill (S. 3901) to authorize national banking associations to establish and maintain branches;

A bill (S. 3902) to provide a penalty for obtaining loans or credit from a national banking association based on false statements;

A bill (S. 3903) to amend and reenact section 5137, Revised Statutes of the United States;

A bill (S. 3904) to amend and reenact sections 5222 and 5230, Revised Statutes of the United States;

A bill (S. 3905) to amend and reenact section 5209 of the Revised Statutes of the United States;

A bill (S. 3906) to amend and reenact sections 5136 and 5139 of the Revised Statutes of the United States;

A bill (S. 3907) to provide for the consolidation of national banking associations;

A bill (S. 3908) to regulate deposits received by national banking associations, to prescribe maximum rates of interest to be paid depositors, and to regulate issuance of certificates of deposit;

A bill (S. 3909) to amend and reenact sections 5235 and 5236, Revised Statutes of the United States;

A bill (S. 3910) to prevent usury, provide penalties for its violation, and for other purposes; and

A bill (S. 3911) authorizing national banks to subscribe to the American National Red Cross (with accompanying paper); to the Committee on Banking and Currency.

By Mr. JOHNSON of South Dakota:

A bill (S. 3912) granting a pension to William W. Keyser (with accompanying paper); to the Committee on Pensions.

RAILROAD CONTROL.

Mr. ROBINSON. I submit an amendment to the pending railroad bill affecting the subject of compensation. To the amendment I call the attention of the chairman of the committee, the Senator from South Carolina [Mr. SMITH], the Senator from Iowa [Mr. CUMMINS], and I desire particularly to call the attention of the Senator from Minnesota [Mr. KELLOGG] to it. I ask that the amendment be printed and lie on the table. I will state that the effect of the amendment is to eliminate from the authorization for compensation the amount alleged to have been invested in railroad property in the six-month period ended December 31, 1917.

The VICE PRESIDENT. The amendment will lie on the table and be printed.

Mr. McLEAN submitted an amendment intended to be proposed by him to the bill (S. 3752) to provide for the operation of transportation systems while under Federal control, for the just compensation of their owners, and for other purposes, which was ordered to lie on the table and be printed.

Mr. SAULSBURY submitted an amendment intended to be proposed by him to the bill (S. 3752) to provide for the operation of transportation systems while under Federal control, for the just compensation of their owners, and for other purposes, which was ordered to lie on the table and be printed.

GUARANTEED PRICE OF WHEAT.

Mr. THOMPSON submitted an amendment intended to be proposed by him to the joint resolution (S. J. Res. 132) to amend section 14 of the food-control act by increasing the guaranteed minimum price of wheat for the crop of 1918 from \$2 to \$2.50 per bushel, which was referred to the Committee on Agriculture and Forestry and ordered to be printed.

AMENDMENTS TO APPROPRIATION BILLS.

Mr. WEEKS submitted an amendment proposing to appropriate \$866,389.68 to pay the State of Massachusetts, being the amount of judgment rendered by the Court of Claims April 11, 1917, in favor of the State for war expenses, and so forth, intended to be proposed by him to the urgent deficiency appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed.

Mr. WATSON submitted an amendment providing that in addition to salaries paid to rural letter carriers they shall be paid \$36 a year per mile for each mile or major fraction of a mile over and above 24 miles, and so forth, intended to be proposed by him to the Post Office appropriation bill, which was referred to the Committee on Post Offices and Post Roads and ordered to be printed.

WITHDRAWAL OF PAPERS.

On motion of Mr. FLETCHER, it was

Ordered, That leave be granted to withdraw from the files of the Senate the papers in the case of the bill (S. 6733, 64th Cong.) for releasing and quietclaiming of all claims of the United States to arpent lot No. 28 in the old city of Pensacola, Fla., there having been no adverse report thereon.

DISCHARGE OF CAPT. ARTHUR E. PERELESS.

Mr. THOMAS. Mr. President, I send to the Secretary's desk and ask to have read a letter received yesterday from the War Department in reply to an inquiry which I made on Friday last regarding the circumstances attending the discharge of Capt. Pereless from the Army.

The VICE PRESIDENT. Is there objection? The Chair hears none. The Secretary will read.

The Secretary read as follows:

WAR DEPARTMENT,
Washington, D. C., February 16, 1918.

DEAR SENATOR THOMAS: The Secretary of War is away from Washington on an inspection tour for several days, and I take the liberty of forwarding to you immediately a copy of a memorandum just received for him from the Acting Quartermaster General regarding Arthur E. Pereless, concerning whom you recently inquired.

Cordially, yours,

RALPH A. HAYES,
Private Secretary.

WAR DEPARTMENT,
OFFICE OF THE QUARTERMASTER GENERAL OF THE ARMY,
Washington, February 16, 1918.

MEMORANDUM FOR THE SECRETARY OF WAR.

The discharge of Capt. Arthur E. Pereless from the Quartermaster Reserve Corps had no relation, directly or indirectly, to the testimony which Capt. Pereless gave before the Military Committee of the United States Senate. It is not, and has never been, the policy of the Acting Quartermaster General, to discipline any officer for the testimony before a committee of either branch of Congress.

On the other hand, the Acting Quartermaster General desires that committees of the Senate and the House shall have access to any information which may be desired, and no restrictions are imposed upon any officer called upon to testify.

Capt. Pereless was honorably discharged for reasons entirely and solely due to service considerations. It was necessary to reorganize, among other divisions of this office, the conservation division, with which Capt. Pereless was connected.

Examination of the qualifications of Capt. Pereless disclosed that he lacked the efficiency considered necessary for the performance of the duties with which he was charged. That Capt. Pereless realized the situation is shown by the fact that he himself notified a subordinate of the Acting Quartermaster General that he had tendered his resignation as an officer of the Army, which resignation an examination of the records disclosed had not been submitted in writing; and further in a letter dated January 22, 1918, signed by him and addressed to the Acting Quartermaster General, Capt. Pereless stated:

"As the necessary appointments have been made for the organization and carrying on of the Conservation Division, the necessity of my further services is no longer apparent, and I request that I be returned to the inactive list, Quartermaster Reserve Corps. The duties which I abandoned in New York, the return to which is still open to me, justify me in making the above request, as under the circumstances I do not feel that the financial sacrifice involved in the change is any longer required."

The Acting Quartermaster General does not regard it as good policy, in view of the need of officers, to make transfers to the inactive list. The extensive duties of the Quartermaster Department demand the use of every officer holding a commission and available for service. An officer assigned to the inactive list is dead weight, which no up-to-date business organization should carry.

Therefore the Acting Quartermaster General decided to pursue in the case of Capt. Pereless the policy observed in similar cases, viz, to direct his honorable discharge, and to appoint in his place an efficient officer capable of carrying on the important work of the Reclamation Division. This was done under date of January 30, under date of February 14, in answer to a letter from Mr. Pereless, dated February 1, requesting that the order for his honorable discharge be changed so as to transfer him to the inactive list of the Quartermaster Reserve Corps, this office expressed the policy adopted as follows:

"Referring to your letter of February 1, in which you make request to be returned to the inactive list of the Quartermaster Reserve Corps, you are advised that your discharge was recommended because your services were no longer required. This office will follow the policy established of discharging all Reserve and National Army officers whose services are no longer required, rather than to return them to the inactive list."

Geo. W. GOETHALS,
Acting Quartermaster General.

ENLISTMENT OF AMERICAN BOYS IN BRITISH ARMY.

Mr. KNOX. Mr. President, I depart from my usual custom by asking to have the following telegram read from the desk and the privilege of making a remark or two relative to the subject.

The VICE PRESIDENT. Is there objection? The Chair hears none.

The Secretary read as follows:

PITTSBURGH, PA., February 17, 1918.

Senator P. C. KNOX,
Washington, D. C.:

Joseph Barbour, age 16; Reed Miller, age 14; both under the name of Clayton; and Francis McKnight, age 16, under name of Semple, recruited by local British Army office, and spirited to Canada Saturday night. Will reach Windsor, Nova Scotia Tuesday. Mr. Heinie, local recruiting officer, refuses to take action. Have them stopped and returned at once, at Montreal, probably this evening. All are sons of American citizens. Copy of this message also sent to Secretary of State.

G. H. BARBOUR,
WM. MCKNIGHT,
A. W. MILLER.

Mr. KNOX. Mr. President, I have had this telegram read not because I have any apprehension about the action that this Government will take under the circumstances. Indeed, I saw

the Secretary of State this morning and his indignation was equal to my own, and he will take up this matter at once with the British Embassy, who I have no doubt will cooperate with him in securing the return of these children to their homes in the city of Pittsburgh.

My sole purpose is thus publicly to bring to the attention of foreign recruiting officers within the United States the fact that the privilege we extended to them last summer to open recruiting offices to enlist their own nationals does not extend to kidnapping American children. A child 14 years of age and three of 16, members of reputable families in our city, were enlisted, and the recruiting officer, after their age and citizenship had been brought to his attention, refusing to extend any relief—

Mr. POINDEXTER. Mr. President, I should like to inquire of the Senator from Pennsylvania whether these boys voluntarily offered their services to the recruiting officer?

Mr. KNOX. Mr. President, I have had read to the Senate all the information that I presently possess, but I propose to cover that point in a moment. The law always has been until the act of August 7, 1917, was passed, that it was a criminal offense for foreign Governments to open a recruiting office in the United States even to enlist their own nationals. The policy of Governments has always been that within their borders offices for the replenishing of the army of a foreign power should not be set up; but under the circumstances of this war we decided that it was wise to give our allies an opportunity to reach their own nationals within the United States by permitting them to open recruiting offices. But we reenacted the old law in that statute even by a proviso which said that no American citizen should be enlisted for the purpose of being sent out of the country under the provisions of this law, and there is a penalty prescribed of \$1,000 and not more than three years' imprisonment for this offense.

I do not know to what extent these children were participants in this matter. All I know is, the fact that they were of these tender years was presented to this foreign recruiting officer, and he declined to facilitate their return or enter into any effort to have them returned.

If the facts are as alleged in this telegram, it is my intention to bring the matter to the attention of the Attorney General and insist upon prosecution, because it is worth while to give notice that the privileges we have extended to foreign countries shall not be abused, and abused in this flagrant manner.

RAILROAD CONTROL.

The VICE PRESIDENT. The morning business is closed.

Mr. SMITH of South Carolina. I move that the Senate proceed to the consideration of Senate bill 3752, the unfinished business.

The motion was agreed to; and the Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 3752) to provide for the operation of transportation systems while under Federal control, for the just compensation of their owners, and for other purposes.

Mr. THOMPSON. I submit an amendment to the pending bill, which I ask may be printed and lie on the table.

The VICE PRESIDENT. It will be so ordered.

Mr. POMERENE. Mr. President, it is my purpose to discuss briefly, if I may, the pending measure. I purpose to address myself principally, first, to the method of compensation which is provided for in the bill as it was reported by the committee; secondly, the substitute plan offered by the distinguished Senator from Iowa [Mr. CUMMINS]; and, thirdly, section 13, relating to the time during which the Government shall continue to operate these roads.

I hope the Senate will pardon me if I take just a few minutes, perhaps, to repeat some things which have been said during the last week in the discussion of this bill.

I realize, as every Senator does who has given any attention to this measure, its involved character, and the impossibility of determining to a nicety a rule of just compensation. This all grows out of the fact, largely, that we can not anticipate what the future will bring forth. We do not know what the valuation of the property of the railroads is. In fact, whatever estimates are made upon that subject by any man, no matter how much careful attention he may have given to it, are the sheerest guesswork.

It has already been developed in the discussion of this bill that, while the traffic of the railroads has been increasing, the equipment of the roads has been decreasing. In classes 1 and 2 of the railroads, which include all that had an income over and above \$100,000, in 1915 there were 64,205 locomotives; in 1916 there were 62,909 locomotives; and there was substantially no increase during 1917, though we have not been able to

get the figures for that year. So from 1915 to 1916 there was a net loss in locomotives of 1,206.

During the year 1915 there were 2,346,932 freight cars; in 1916 there were 2,289,513 freight cars; a net loss in one year of 57,419 freight cars.

Mr. KELLOGG. Mr. President—

The VICE PRESIDENT. Does the Senator from Ohio yield to the Senator from Minnesota?

Mr. POMERENE. I yield to the Senator.

Mr. KELLOGG. I should like to ask the Senator as to the list of locomotives. The figures which he has given I believe to be perfectly accurate; but is it not true that the decrease in the number of locomotives to some extent is due to the fact of scrapping the smaller classes of locomotives, the new locomotives being of a larger capacity, although undoubtedly there has not been as great an increase in locomotives as there should have been?

Mr. POMERENE. There may be some truth in the statement. I want to impress particularly upon the Senate—and this is my purpose in giving these figures—the fact that if we are going to be just we must deal rather liberally with the railroads than stingily at this particular time.

In 1915 the total passenger cars were 54,766; in 1916 they were 53,730, a net loss in that one year of 1,036. The increase in the traffic has been tremendous. Immediately after the war 631 railroads, with a total mileage of 262,000, coordinated the operation of their roads here in Washington for the purpose of increasing their efficiency, and the railroad authorities advise us that during the six months from April to September, 1917, the traffic per month exceeded the average per month during 1916 by 20.3 per cent, and the average per month for the year 1915 by 50 per cent; or, to put it in another way, the tonnage for the whole year 1917, based upon the experience for six months, shows a total ton-mileage of 409,405,000,000, an increase of 135,164,000,000 ton-miles over the business of 1915.

This increase from 1915 to 1917 represents a total service in excess of all the railroads of Canada, Germany, Great Britain, Russia, France, and Austria, excluding Hungary, with a mileage of 178,542, and serving a population of 323,000,000.

These railroad officials present the facts showing the increase in railroading in another way and perhaps more forcefully. In the first six months after we entered the war the railroads handled as much freight as they did during the entire year 1906. In 1906 the average freight train carried 344 tons; in the six months following the declaration of war they carried 675 tons. Or, to present their case in still another way, if the traffic for these six months in 1917 had moved in the same average trainload as in 1906, 96 per cent more freight-train service would have been required.

Senators, I realize that when we begin to discuss the subject of railroads we are touching a topic that arouses resentment and sometimes unfairness in dealing with it.

One of the best informed railway men in this country testified before the Interstate Commerce Committee that the total value of the railroad property of this country amounted to one-seventh of the total wealth of the country. My belief is that that statement is somewhat exaggerated, but suffice it to say the total par value of the railroad stocks plus the par value of the bonds amounts in the aggregate to \$17,336,300,619. But whether the ratio between the railroad wealth of the country and the total wealth of the country is one-seventh or one-tenth or one-twelfth, it presents one of the most tremendous propositions that ever commanded the attention of the Senate.

Mr. FLETCHER. Mr. President—

Mr. POMERENE. I yield to the Senator from Florida.

Mr. FLETCHER. If I may interrupt the Senator, the Senator has stated in a general way the total par value of railroad stock and the total par value of bonds. I should like to inquire if the Senator has gone into the question of the actual value of the stock and the actual value of the bonds; in other words, how much water is there in this stock and in these bonds?

Mr. POMERENE. Mr. President, the question is a very pertinent one, and I shall discuss it later on. I will pause long enough now, however, to say that there is no man in the United States who has accurate, definite, or intelligible knowledge upon that subject.

Mr. SMITH of Michigan. Mr. President, if the Senator will pardon me, the bond value which the Senator in his statement places at par is, of course, par whenever the obligor is called upon to pay the securities. No matter how much the bonds may fluctuate in the open market between the time of their issue and the time of maturity, the fact remains that at maturity they are at par and the roads issuing them can not escape their payment, or at least adjudication upon that theory.

Mr. POMERENE. That is true.

Mr. President, I have no apology to make for the shortcomings of the railroads. I realize that they have done things in the past that they ought not to have done and left undone many things they should have done; I realize that in the past they have overcharged communities; that they have evaded taxes; that those who were in authority in the roads manipulated their stocks and the roads themselves to their own benefit and to the prejudice of the public; but, in my judgment, the Congress of the United States ought not to approach this subject now as if it were going to penalize the railroads, as they are at present organized for the wrongs which they committed many, many years ago.

When we speak of the railroads we must remember that the railroads of this country are owned by the people of this country. I have taken the pains to get a few figures indicating the extent to which the people are interested in this subject. I have received these figures from the Secretary of the Interstate Commerce Commission.

The reports of steam roads of class 1, those having an annual operating revenue of more than \$1,000,000, for the year ending December 31, 1916, show the following: Number of stockholders, 503,833; number of shares held, 69,865,859 estimated of a par value of \$100. Senators will note that this does not include the holdings of stock in railroads of class 2 or class 3. Those figures have not been furnished.

The number of bondholders is not shown in the reports of the carriers.

Mr. STONE. Mr. President, I am trying to follow the Senator. He says that the railroads of class 1, which embrace railroads with an annual operating revenue of over a million dollars, have an ownership representing sixty-nine million—

Mr. POMERENE. Their stock is owned by 503,833 shareholders.

Mr. STONE. Shareholders to that number, with a total holding of \$69,000,000?

Mr. POMERENE. No; 69,000,000 shares.

Mr. STONE. Sixty-nine million shares?

Mr. POMERENE. Yes; and on a basis of \$100 per share.

Mr. STONE. Well, what character of roads are in classes 2 and 3?

Mr. POMERENE. Class 2 embraces roads that have annual net operating revenues of less than \$1,000,000 and over \$100,000.

Mr. STONE. Will the Senator cover them in his statement?

Mr. POMERENE. I do not have those figures; they have not been furnished me.

Mr. STONE. And class 3?

Mr. POMERENE. Class 3 includes those that have annual operating revenues under \$100,000.

Mr. STONE. Well, they altogether are rather small in the aggregate, I imagine?

Mr. POMERENE. I should think so; yes.

Mr. SMITH of Michigan. If the Senator will pardon me, in the holdings the Senator, of course, includes those holdings which belong to insurance companies?

Mr. POMERENE. I assume so. I will have something to say in just a few moments on that subject.

In connection with the preceding it should be stated that while the gross amount of railway capital stock in the United States is over \$9,000,000,000 the net amount not held by the railway companies was, on June 30, 1916, \$6,314,570,354.

I am also furnished with the following extracts from Railway Statistics of the United States of America for the year ending December 31, 1916, prepared by Slason Thompson, of the Bureau of Railway News and Statistics:

Returns to this bureau for the year ended December, 1916, from 482 companies, operating 250,233 miles of line, report the number of stockholders at the last election prior to that date as 522,095. This is a decrease of 13,310 from the number reported six months before from a smaller mileage. It also marks the first recession in the number of stockholders in American railways since the bureau began its annual compilations.

As there are approximately 20,000 stockholders in the smaller operating companies, and two years ago the nonoperating roads reported 82,846 stockholders to the commission, it is apparent that the ownership of railroads in the United States rests in the hands of approximately 620,000 stockholders.

The distribution of railway bonds is probably more general than that of railway stocks. Of course, not taking into account duplications, there must therefore be something over a million of individuals who are either owners of stock or owners of bonds.

At a meeting of the National Association of Owners of Railroad Securities held at Baltimore last May it was reported that the railroad securities owned were as follows:

By individuals outright, numbering about 1,000,000, owning over \$10,000,000,000.

By life insurance companies, with 46,000,000 of policies in force, representing a total of \$1,550,000,000.

By savings banks, with 10,000,000 depositors, representing \$837,000,000.

I refer to these figures for this reason: We are not dealing fairly with this subject if we are going constantly to keep in mind the excesses of the railroads in the past and forget the fact that the railroads of this country are owned, directly and indirectly, by over a million people, and that these securities are in the hands of savings banks and insurance companies and in private safe-deposit boxes.

Mr. SMITH of Michigan. Mr. President—

The VICE PRESIDENT. Does the Senator from Ohio yield to the Senator from Michigan?

Mr. POMERENE. I do.

Mr. SMITH of Michigan. If it will not interrupt the Senator, I think his statement is a very modest statement when he states that number of owners directly and indirectly. I have seen the statement made, and apparently with considerable authenticity, that considerably over 10,000,000 people are directly and indirectly interested in railroad securities.

Mr. POMERENE. Mr. President, I may say to the Senator from Michigan that I prefer to understate rather than to overstate the facts.

Mr. SMITH of Michigan. Mr. President—

Mr. POMERENE. Let me finish just this one thought, and then I will yield. I do it for the purpose of at least attempting to impress upon the minds of Senators that when they pare to the bone, they are striking at the savings of more than a million people in this country.

Mr. SMITH of Michigan. Mr. President, I only wanted to say to the Senator that the source of my information is the source from which he has just quoted, namely, this Baltimore convention of railroad owners. I am well within bounds when I say that as the outgrowth of that convention, and the exchange of views therein made, it was shown that considerably over 10,000,000 people are directly and indirectly, as policyholders of insurance companies, and so forth, interested in this class of securities.

Mr. WEEKS. Mr. President—

The VICE PRESIDENT. Does the Senator from Ohio yield to the Senator from Massachusetts?

Mr. POMERENE. I yield to the Senator.

Mr. WEEKS. I want to add to what the Senator from Michigan has said relating to that subject that I think the statement made by the Senator from Ohio is much too modest to conform to the facts. The number of savings-bank depositors in the country would indicate that probably the Senator from Michigan is quite right in the statement that there are 10,000,000 people in the United States who are directly interested in railroad securities.

Mr. POMERENE. As I have said before, I am disposed to accept the statement made by the Senator from Michigan and the Senator from Massachusetts; but in view of the returns which were made to the Interstate Commerce Commission I modified it, or stated the fact as I did.

Mr. CUMMINS. Mr. President—

The VICE PRESIDENT. Does the Senator from Ohio yield to the Senator from Iowa?

Mr. POMERENE. I do.

Mr. CUMMINS. I think the statement might be very much enlarged. Directly or indirectly, there are 100,000,000 people in the United States who are interested in railroad securities. But I ask the Senator from Ohio whether he understands that it is proposed by any one to reduce the compensation provided in this bill so that it will affect the interest upon bonds or the customary dividends upon stocks?

Mr. POMERENE. Mr. President, if the Senator from Iowa—whose views are, I think, somewhat extreme—will bear with me a little while I will try to make myself perfectly clear as I go along.

The railway operating income for class 1 roads for the year 1917 was \$1,061,814,427. For 1916 it was \$1,024,381,299. For 1915 it was \$716,476,186, the average being something over \$934,223,970, which represents the proposed standard contained in section 1 of the bill. Some of the railway people insisted that we should use as the standard of compensation during the period of Government control the earnings of the year 1917. Others proposed as a method of compromise the use of the average earnings for the years 1917 and 1916, eliminating the earnings of 1915. Mr. Kruttschnitt, before the Interstate Commerce Committee, made the statement that if the average earnings for the years 1916 and 1917 were used as a standard for compensation it would give to the railroads of the country

\$100,000,000 annually more than they would get if we used the standard based upon the average for the three years.

The interest on the bonded debt of the railroads annually amounts to about \$400,000,000. The dividends paid to the stockholders in 1915 were \$259,809,520; in 1916, \$281,936,371; and for the fiscal year 1917 I do not have the exact figures, but they amount to over \$300,000,000. If we were to pay to the railroads during the first year the same dividends that the railroads paid during the last year, and the interest account was the same, there would still remain a sum of about \$200,000,000 which would go to surplus.

Mr. SMITH of South Carolina. Mr. President, if the Senator from Ohio will allow me, I have just gotten from the Interstate Commerce Commission a memorandum on the very point that he now has under discussion. It states that in connection with the table furnished the Senator from Iowa and others as to the probable \$200,000,000 that would be available for surplus it must be borne in mind, among other things, that the amount of outstanding stock will be that of 1918, and that no average can be taken in that respect, and that the probabilities are that the outstanding stock would be larger than any average for the three years; and that computation was made upon the basis of the average outstanding stock for three years, which is manifestly incorrect.

Mr. POMERENE. The Interstate Commerce Committee sought to get information relative to the market value of stocks and bonds from the Interstate Commerce Commission. We were unable to get this information complete or exact. The Interstate Commerce Commission, however, gave us the following information concerning stocks of steam roads which were quoted on the New York Stock Exchange for the years indicated, as shown by the Financial Chronicle.

The par value of the stocks quoted for the year 1912 was \$4,574,587,200; for 1915, \$4,741,422,100; and on December 14, 1917, \$4,790,851,200.

I wish Senators to note the market value of these stocks.

For 1912 the market value was \$5,035,839,506; for 1915, \$4,485,433,601; and on December 14, 1917, \$3,786,001,000.

Now, note the percentages of the market value to par value.

In 1912 the percentage of market value to par value of these stocks was 110.08; in 1915, 94.60; and on December 14, 1917, 79.03.

The par value of the stocks quoted, according to the Interstate Commerce Commission, as above given, constitutes 79.34 per cent for 1912, 75.09 per cent for 1916, and 75.87 per cent for 1917 of the total par value of stocks for all steam roads—classes 1 and 2 and nonoperating subsidiaries—in the hands of the public. The market value of these stocks was determined by striking an average between the highest and the lowest quotations during the year, as shown by the Financial Chronicle. This average was assumed to be a mean quotation for the year, and was applied to the par to obtain the market value.

It is interesting to observe that while these stocks in 1912 were quoted at 110.08 per cent, or 10.8 per cent above par, in 1917 they were quoted at 79.03 per cent, or 20.97 per cent below par—a shrinkage from 1912 to 1917 of 31.05 per cent.

The Interstate Commerce Commission also gave us the following par and market values of stocks for 1912, 1916, and 1917:

The par values of stocks of all steam roads—classes 1 and 2 and nonoperating subsidiaries—in the hands of the public on June 30 were as follows:

Nineteen hundred and twelve, \$5,766,093,888; 1916, \$6,314,570,354; and 1917, though larger in sum, for the purposes of this argument they are estimated at the same amount.

The market value of these same stocks, determined by applying the percentage in the first table referred to, was as follows:

Market value, 1912, \$6,347,316,152; 1916, \$5,973,583,555; but in 1917 they had shrunk to \$4,990,404,951.

The commission also furnished us the par value and the market value of the railroad bonds, and these valuations apply to issues of \$10,000,000 or more outstanding.

The par value of the bonds quoted for 1912 was \$5,466,060,876; for 1916, \$5,705,982,750; and December 14, 1917, \$6,127,816,350.

The market value of these bonds in 1912 was \$5,089,923,953; in 1916, \$5,086,381,475; and December 14, 1917, \$5,156,623,981.

The percentage of the market value of these bonds to the par value in 1912 was 93.12 per cent; in 1916 89.14 per cent; and on December 14, 1917, 84.15 per cent.

The par value of bonds of all steam roads for 1912 was \$9,321,506,762; for 1916, \$10,021,730,075; for 1917, \$10,021,730,075 (estimated).

The market values for these same years were as follows: 1912, \$8,680,187.097; 1916, \$8,933,370.193; and 1917, \$8,433,285.862.

Now, as to the comparative value of all these stocks and bonds, the par value of all the stocks and bonds of these same classes of railroads for 1912 was \$15,087,000.650; the market value, \$15,027,503.249. For 1916 the par value was \$16,336,300.429, the market value \$14,906,953.748; and in 1917, though the par value of the stocks and bonds was \$16,336,300.429 (estimated), the market value was only \$13,423,690.813.

Senators should note that the par value of the stock and bonds for the year 1917 is estimated to be the same that it was in 1916. It certainly is not less in amount. So the par value of these stocks and bonds increased between 1912 and 1917 \$1,248,699.779, and notwithstanding this increase in the par value of these stocks and bonds the market value of the same stocks and bonds decreased from 1912 to 1917 \$1,603,812.436.

Mr. President, the other day a very distinguished lawyer and business man was in my office discussing this very subject, and he told me that a few days before he had seen the balance sheet of one of the great colleges of the country. The college authorities had bought certain railroad stocks of a high class at \$1.13. At the time he saw the balance sheet these stocks had fallen to less than 60 cents. If we will remember this decline in market values as affecting the financial conditions of the business institutions of the country, the insurance companies, the savings banks and savings societies, we can understand what this tremendous shrinkage in values means.

We talk about the payment of a "just compensation" by the Government to the railroads for the use of their property, and I have yet failed to find anyone who does not believe that a "just compensation" should be paid. But we differ radically when we try to determine the rule by which this shall be done or what in fact shall be a just compensation. If I were to be guided by the argument which I have heard here on the floor of the Senate, I would come to the conclusion that we had forgotten entirely that we were dealing with the public, but thought we were dealing solely with some railroads that had robbed communities in the past. But let us see how far we can go in determining the question as to what is a just compensation, and I want briefly to discuss the law.

Mr. SMITH of Michigan. Mr. President, will it annoy the Senator if I express the hope which I had that after he had demonstrated the tremendous shrinkage in the values of railroad securities and stocks he would give his judgment as to the causes for that shrinkage?

Mr. POMERENE. Yes; I have considered that, but I had not intended to go into the causes. I was going to treat the present state as an established fact without going into those details, because this legislation deals with an established condition which we hope to improve.

Thus far in the argument we see that while the traffic of the roads has very materially increased, and promises to further increase in the future, the equipment of the roads has declined and values of railroad securities have shrunk to a point where the safety of financial institutions has been threatened.

It is the purpose of those who are opposing the bill, as evidenced by the several amendments proposed by the Senator from Iowa, to refuse to allow the railroads anything over and above the dividends that they declared during the past year. The title to all moneys earned over and above these dividends are to be passed to the Government. The Government is to have authority to invest these earnings, over and above these dividends, either in railroad property or turn them into the Treasury. And if these funds are thus invested in property connected with the roads earning them, or other properties, they are not to be capitalized, the improvements are to belong absolutely to the public, and there will be no returns to the company because of these investments. In my judgment, the Congress has no authority whatsoever to adopt such a course of action in fixing compensation to be paid. While these roads are public utilities, and as such are subject to the control of Congress under the commerce clause of the Constitution, they are, nevertheless, private property. True, they are owned by corporations, but the stock in these corporations is owned by individuals, and a certificate of stock which each stockholder has in a company represents his interest in that property just as surely as a fee-simple deed represents his interest in the property that he owns.

And now I think it will be conceded that, so far as the exercise of eminent domain is concerned, there is little or no distinction between the seizing and taking over of individually

owned property and railroad owned property. The fifth amendment to the Constitution of the United States provides—nor shall private property be taken for public use without just compensation.

The President, under the authority of Congress, has taken over the railroads, and every student of the subject must admit that the Government is not only in honor bound but legally bound to pay to the owners a "just compensation."

I shall beg the indulgence of the Senate while I refer to the opinion of the Supreme Court in *Monongahela Navigation Co. versus United States*, One hundred and forty-eighth United States, 312. Congress had authorized the Secretary of War to purchase at a given price the upper lock and dam and its appurtenances, belonging to the *Monongahela Navigation Co.*, a Pennsylvania corporation. If he could not make a voluntary purchase he was authorized to begin condemnation proceedings for this property, but the act of Congress provided that in estimating the sum to be paid the franchise of said corporation, which was derived from the State of Pennsylvania, was not to be taken into consideration or estimated. The efforts of a voluntary purchase failed. Viewers were appointed, who reported the value of the lock and dam, but it did not take into account "the franchise of the company to collect tolls."

That is what some of our very good friends are forgetting now, to take into consideration the rights which the commerce act and the Interstate Commerce Commission have given to these railroads to collect toll. The navigation company having received its franchise from the State of Pennsylvania, constructed at great expense locks and dams and had a right to charge tolls for carrying traffic. The right to take property is not denied, but this right is accompanied by a corresponding duty to pay a just compensation for it. In the act referred to, Congress exercised the right to determine the measure of damages. The Supreme Court held this to be a "judicial and not a legislative question."

Says Mr. Justice Brewer:

It does not rest with the public taking of property, through Congress or the legislature, its representative, to say what compensation shall be paid, or even what shall be the rule of compensation. The Constitution has declared that just compensation shall be paid and the ascertainment of that is a judicial inquiry.

So all we can do here as a legislative body is to establish a rule for the guidance of the President beyond which he shall not go. We can not force these railroads to accept this plan.

In discussing this question further, the learned justice says:

The value of property, generally speaking, is determined by its productiveness—the profits which its use brings to the owner.

So in determining what is just compensation we must take into consideration what were the profits that these railroads earned, if any, immediately prior to their being taken over by the Government.

Again, Mr. Justice Brewer said:

The value (of the property) therefore is not determined by the mere cost of construction, but more by what the completed structure brings in the way of earnings to its owner. For each separate use of one's property by others the owner is entitled to a reasonable compensation, and the number and amount of such uses determine the productiveness of the property, and, therefore, largely its value.

The Legislature of Pennsylvania had granted the *Monongahela Navigation Co.* the right to use this property and fixed the terms thereof—

The prices which may be exacted under this legislative grant of authority are the tolls, and these tolls, in the nature of the case, must enter into and largely determine the matter of value.

So if we apply the logic of the case from which I am reading to the present bill, after the Interstate Commerce Commission has fixed these rates, presumably at least until they are set aside, and, presumptively, they are just and reasonable, we must take them into consideration in fixing a "just compensation" for the property taken.

On page 336 the learned justice says:

And if that property be improved under authority of a charter granted by the State, that the franchise to take tolls for the use of the improvement, in order to determine the just compensation, such franchise must be taken into account.

So we must take into account the rates which have been fixed by the Interstate Commerce Commission and the profits therefrom.

Because Congress has the power to take the property, it does not follow that it may destroy the franchise without compensation. Whatever is the true value of that which he takes from an individual owner must be paid to him before it can be said that just compensation for the property has been paid. And what is true in respect to the condemnation of property for a post office is equally true when condemnation is sought for improving a natural highway.

If we were condemning a building for the purpose of a site for a post office, would it not be proper for the jury and the court which was passing upon the question to take into consideration the rental of that property? So also when it comes

to a determination of the rent which the Government must pay for these railroads we must consider their earnings.

And now let us apply the reasoning of the case just cited to the railway legislation now under consideration. Some of these properties have been earning 5, 6, and 8 per cent, a few of them 10 per cent, on their capital stock, and a very few others very much more. They are charging rates for traffic which have been found to be fair and reasonable by the Interstate Commerce Commission and by the several State commissions. Until these rates shall have been changed by this organization or the Government the owners of the railways will continue to make these charges. They were making them at the time the President stepped in and took control under the act of Congress. And the question is, What is the value for the use of these roads? How are we to determine it? Shall it be controlled by the mere ipse dixit of a few men who may have some extreme views on the subject of railroad control or Government ownership which they have never been able to force upon the public? Shall just compensation be determined in harmony with the principles of legislation and sound railroad management and as reflected by railroad earnings, or shall they be determined by some principles, right or wrong, which have never found expression by any Government tribunal having jurisdiction thereof? We are not the sole arbiters of this so-called "insoluble question," as it was referred to the other day by the Senator from Iowa. We may as a legislative body reduce rates either by direct legislation or indirectly through the action of the Interstate Commerce Commission, but we can not appropriate profits already earned or injure or destroy franchise rights which have already vested. These profits, if earned on franchises authorizing earnings, are private property, and we must pay for them a just compensation and the courts will determine the amount thereof, if it can not be adjusted by negotiation.

And now, sirs, if a property has been earning 25 per cent for its owners, whether corporate or individual, it seems to me that the burden of proof is on those who contend for the right to reduce it to 6 per cent to show the method whereby it can be done. Neither can the Government take these surplus earnings and invest them in betterments and say to the railroads, "You shall have neither the title to these betterments nor be permitted to have the earnings thereof." While the railroads of the country have been permitted to make certain charges, if, by reason of increased business or efficient management, they may be able to earn a little more than some of their neighbors, is that a reason why we should confiscate them or appropriate them for public use?

The Senators who take that position overlook this fact. Assume, for the sake of the argument, that a railroad under current rates established by the Interstate Commerce Commission is earning a bare 6 per cent for dividends. It is reaching out trying to serve the community. By means of its efficiency, perhaps by means of the industry of its officers and employees, it increases the traffic so that the stockholders can get 7 per cent. Have they violated their duty to the public or their duty to the stockholders? Are they to be penalized because they are serving a greater number of the public than they did before? If that is to be the rule which is to control railroad management, then when railroad companies get to the point where they earn a bare 6 per cent it would be most natural for them to sit back in their easy chairs and let the road go to wreck.

Mr. President, the total stocks and bonds, as I have heretofore stated, amount to \$17,336,300,619. You will pardon me for repeating it, because I want to make my point perfectly clear, if I can. Upon that great aggregation of property there is paid each year \$400,000,000 of interest on bonds and \$300,000,000 in dividends on stocks. The total net average earnings during the three years 1915, 1916, and 1917 was a fraction over \$900,000,000, but for the sake of argument let us say that it amounted to an even \$900,000,000. That leaves \$200,000,000 to go to the surplus.

What should be done with this? The Senator from Iowa tells us that it is taking from the people \$200,000,000 to which the roads are not entitled. There is not any man living who can tell me whether a given amount of earnings is excessive or not, unless he can first tell me what the value of the property is. The total of the stocks and bonds of the railroads is \$17,000,000,000. Who knows whether it is too low or too high? No one knows; but the Senator from Iowa says that \$200,000,000 is excessive. Now, let us analyze the situation and see whether he is justified in drawing that conclusion.

We have a bureau connected with the Interstate Commerce Commission that has been working for three years to value the railroads, and they tell us that it will take three years more to complete the work. Judge Prouty was before our committee. He has charge of this valuation. I was anxious to get from him

a judgment, if I could get it, as to what was the probable value of these railroads. You would think, if there were any man in the whole United States who could give us a fair judgment as to what the probable value of the railroads is that Judge Prouty could do it; but he would not even venture to guess at it. I do not want to misrepresent this matter; I want to get it just exactly as it came from his lips, and so I will read his statement. He was asked by the Senator from Iowa:

From your long experience on the Interstate Commerce Commission and your subsequent work as the head of the Bureau of Valuation will you please state to the committee whether it can place reliance upon the property investment account as shown by the reports of the railway companies?

Mr. Prouty answered—

Now, the investment accounts of the railway companies of this country are absolutely unreliable. In some cases it is pretty near the fact and in other cases nowhere near the fact. The investment account as a rule balances with the stock and bond issues. That is not an invariable rule, but it is a pretty general rule. The railroads have adjusted their investment account so as to take care of their securities.

Take, for example, the investment account of the Kansas City Southern, the cost of reproduction there was perhaps \$50,000,000; their investment account was some \$90,000,000, as I remember it. We may take some other railroad where the investment account would run pretty close to the cost of reproduction, and I expect you will find cases where the investment account would be less than the cost of reproduction. We have not found any cases of that sort yet.

Later in the examination I asked the following question:

Senator POMERENE. Would you care to venture an opinion as to what was the probable actual value of these railroad properties?

Mr. PROUTY. Senator, that would be the wildest sort of a guess.

He has been studying this proposition and doing nothing else for over three years, and up to date that bureau has completed the valuation of but three roads. There are between 600 and 700 systems of railroads in this country. This man, the best-informed man in the United States on that subject, when asked for an opinion, says:

That would be the wildest sort of a guess. I would not object to giving an opinion if there was any basis for it; but there is absolutely no basis for that opinion.

And yet, while the ablest man in the United States on this subject tells us that he can not give us the value of this property, my very good friend from Iowa, for whom I have the profoundest respect so far as motives are concerned, and most often so far as his judgment is concerned, has not yet ventured to give the Senate an opinion of his own as to the value of these roads, and yet he charges that those who champion the method which is contained in the committee bill are guilty, as it were, of some high crime or misdemeanor because they say that they are willing to give to the railroads a compensation which is \$200,000,000 more than the distinguished Senator from Iowa is willing to give.

If I were to say to Senators, "Guess at the value of these railroads," and one should guess \$16,000,000,000, another should guess \$18,000,000,000, and another should guess \$19,000,000,000, and assume, for the sake of the argument, that the actual value is \$16,000,000,000, the Senator who guessed \$19,000,000,000 would only be \$3,000,000,000 out of the way, or, in other words, three-sixteenths out of the way. That would be a pretty fair guess; but, if instead of these properties being worth \$16,000,000,000, the amount of their stock and bonds, they were, in fact, worth \$19,000,000,000, 6 per cent interest on the difference, namely, \$3,000,000,000, would be \$180,000,000, within \$20,000,000 of this excessive amount which the Senator from Iowa claims we are proposing to pay for the use of this property. It is not possible for any living man to tell whether this amount is excessive or not until he first knows what the investment is.

Mr. HOLLIS. Mr. President, will the Senator from Ohio yield for a question?

Mr. POMERENE. I yield.

Mr. HOLLIS. I am very much interested in the Senator's address, and I should like his opinion, for he has studied the problem and has heard the testimony. As I understand the bill, it does not provide that the President shall agree with the railroads for the maximum amount stated in the bill, so the President might, by negotiation, if he were able to get a lower rental fixed by the railroads, fix a lower amount than the maximum. I should like the Senator's opinion as to whether the President is likely to try to get a smaller compensation fixed than the maximum which is provided in the bill.

Mr. POMERENE. Mr. President, the Senator from New Hampshire is asking a question which it is impossible for me to answer. Frankly, I do not know; but knowing the President as I do, I am confident that if he found that the standard here was too high as to any of these roads, he would not take the money of the public and turn it over to these companies or their stockholders.

The Senator's question suggests this further thought to me. Let us assume, for the sake of the argument, that here is a railroad that has been earning during the last three years an

average of 8 per cent, that another railroad has been earning 6 per cent on the average, and another railroad 10 per cent on the average, what should be the position of the directors of those roads, or of the lawyers advising the directors of them, when it comes to weighing their responsibility to the stockholders whose money and whose property is in their keeping? I recognize the fact that 6 per cent is a pretty fair return, if it is guaranteed and is continued on for an unlimited time, but it is one thing to determine the rule for guidance for his own individual conduct with respect to his own individual property, and it is another thing when in the capacity of a trustee he is acting and advising for his cestui que trust.

I am satisfied that we might go at the present time to the four corners of the earth and it would be absolutely impossible for us to get a statement now as to the actual value of the railroad property. The other day when I picked up a copy of the minority report submitted by the senior Senator from Iowa and saw his statement of the dividends which were paid by some of these railroads on their capital stock, I confess that I was somewhat shocked; but a little further careful examination into the facts of the case demonstrated conclusively that the information he had given was misleading. I want to say, lest I be misunderstood, that of course the Senator from Iowa would not purposely mislead, but he was misled by some of the statisticians.

The able Senator from Minnesota [Mr. KELLOGG] took up some of the more extreme cases and gave us some additional facts which cast additional light upon this subject. In order that the RECORD may show them in a more concise form I want to repeat: According to the statement submitted by the Senator from Iowa, the Bessemer & Lake Erie Railroad Co. earned for its stockholders 647.22 per cent on its capital stock of \$500,000, but he failed to call attention to the value of the road. The property of this road, however, for the year ending June 30, 1916, had a valuation of \$45,359,056; in other words, this railroad, which was represented as earning 647.22 per cent on its capital stock, only earned on the property investment a little over 10 per cent.

The Chicago & Erie Railroad, which the Senator from Iowa claims to have earned 70.45 per cent on its capital stock, in fact earned less than 1 per cent on its property investment.

The New York, Philadelphia & Norfolk Railroad Co., which he claims earned 35.74 per cent on its capital stock, in fact only earned 9 per cent on its proposed standard return on the property investment.

The Cumberland Valley Railroad, which he claims earned 24.01 per cent on its capital stock, in fact on the property investment only earned 8.4 per cent according to the proposed standard return.

The Lehigh & Hudson River Railway Co., which he says earned 27.98 per cent on its capital stock, on its property investment is only earning 8.4 per cent under the proposed standard.

The Charleston & Western Carolina Railway Co., which he claims earned 21.67 per cent on its capital stock, in fact only earns 5.8 per cent on its property investment under the proposed standard return.

The Duluth, Missabe & Northern Railway Co., according to the figures of the Senator from Iowa, earned 114.12 per cent on its capital stock, while in fact on its property investment it would earn under the proposed standard return 14.93 per cent.

The Duluth & Iron Range Railroad Co., according to his statement, earned 38.27 per cent on its capital stock, while on its property investment under the proposed standard return it would earn 8.76 per cent.

The Panhandle & Santa Fe Railroad Co., which he claims earned 64.37 per cent on its capital stock, will earn under the proposed standard 6.3 per cent.

The St. Louis, Brownsville & Mexico Railway Co., which he claims earned 52.71 per cent on its capital stock, which is reported at \$500,000, while the property investment appears as more than \$15,000,000, earns on the actual property investment 1.757 per cent.

The Colorado & Wyoming Railway Co., which he says earned 162.64 per cent, under the proposed standard return would only earn a little over 7 per cent.

The Senator from Iowa followed the Senator from Minnesota in an elaborate speech. He has neither denied nor qualified any of these facts as given by the Senator from Minnesota, and I shall assume, therefore, that they state the truth and can not be denied.

Mr. HOLLIS. Mr. President—

The PRESIDING OFFICER (Mr. HENDERSON in the chair). Does the Senator from Ohio yield to the Senator from New Hampshire?

Mr. POMERENE. I do.

Mr. HOLLIS. The Senator is giving some very interesting statistics as to these roads. Take a concrete case. The Senator states that the capital stock of a certain railroad is \$500,000, while the valuation or the capital actually invested is \$15,000,000. Will the Senator indicate where that extra value comes from?

Mr. POMERENE. I can only indicate. Special examinations into property values, and so forth, were made by the Interstate Commerce Commission, at least as to some of these roads, so as to determine the fairness or unfairness of rates.

Mr. STONE. Well, Mr. President—

Mr. POMERENE. Pardon me a moment; and it turns out that one of these roads which I now have in mind, the Bessemer & Lake Erie, is substantially a privately owned road, used for the purpose of transporting ore from Lake Erie ports to the furnaces and coal and coke from the Pittsburgh district to the Lakes, and that its property was valued by the Interstate Commerce Commission at \$45,359,056.

Mr. STONE. Mr. President—

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Missouri?

Mr. POMERENE. I yield to the Senator from Missouri.

Mr. STONE. What constitutes capital stock is easily ascertained.

Mr. POMERENE. Surely.

Mr. STONE. What constitutes actual capital invested in the property is more difficult to ascertain. I do not care to press an inquiry as to individual cases. The Senator's data may not be sufficient to cover the particulars of all these cases; but just what does the Senator mean in the distinction he makes between authorized capital stock and actual investment in the property? Secondly, I should like the Senator to tell me—I may be the only Senator here who needs to make the inquiry, but I make it—just what he means by the standard of value upon which the Government is to make compensation?

Mr. POMERENE. By the standard return or value we mean as determined by the first section of this bill, which authorizes the President, if the bill becomes a law, to strike an average of the earnings for the fiscal years 1915, 1916, and 1917, and then to enter into an adjustment with these railroads which shall not be in excess of that average.

The Senator asks me about the property investment of these companies. Many of these companies have invested a large amount of money in their properties which is not represented by the capital stock. To illustrate, one of the busiest little roads in the country is the Bessemer & Lake Erie, with a capital stock of \$500,000; but the investigation—and there was a special investigation made as to the value of that property—showed that it had an investment there of \$45,000,000 and over.

Mr. STONE. In what way represented?

Mr. POMERENE. By the right of way, rolling stock, and so forth. The Senator from Missouri, perhaps, was not in the Chamber the other day when the junior Senator from Pennsylvania [Mr. KNOX] rose and stated that he had organized that company for the owners, and that they owned 8 or 9 miles of railroad. I do not pretend to be exact as to its length, but they operated over 200 miles of railroad, and they had this tremendous investment in the form of rolling stock and other equipment which was necessary to carry the iron ore from the lake ports down to the furnaces in and about Pittsburgh and coal and coke from the coal regions up to the lake for shipment to the Northwest. I have in mind in my own State an instance where a large property, amounting in value to three or four hundred thousand dollars, a manufacturing plant, was owned by a corporation with a capital stock of only \$10,000. At that time, under our constitution, we had a double stock liability, and those who had their money invested were quite willing to run the hazards of the business, but they did not care to incur the double stock liability if failure should come on.

So that it does not necessarily follow that there is any relation whatsoever between capital stock and the money or property invested. It is true that some years ago, before the Interstate Commerce Commission and the State public utility commissions were organized, many of these companies were overcapitalized. Of course, that is an offense against good, sound financing, but that is a thing of the past. These railroads, however, have continued to grow in value, and while my distinguished friend, the Senator from Iowa, suggests, for instance, that the Pennsylvania Railroad Co. is now earning something over 8 per cent on its capitalization, I venture to say that he can not give an intelligent guess as to what is the actual value of its property, and therefore is not in a position to say whether the earnings of the road are excessive or not.

Mr. STONE. Mr. President, when the Senator says "the actual value," he means the actual investment in the property?

Mr. POMERENE. Perhaps we can distinguish between the two, and perhaps we can not. If, by "investment," we mean simply the actual money that has been placed in it, that may be the value, and it may not. There is the increased value of these terminals all the while. It may be that the increase in value comes out of undistributed surplus. It may be that it is a so-called unearned increment. I do not know; but we can not by any present legislation cure all the ills that railroad flesh has been heir to in the last half century without doing great injustice to present innocent stockholders or bondholders.

Mr. HOLLIS. Mr. President, will the Senator yield further?

Mr. POMERENE. I yield.

Mr. HOLLIS. The question that is evidently disturbing the Senator from Missouri, as it is disturbing me, is this: Where has the additional capital investment come from?

Now, it occurs to me that it may come from three sources. One, as suggested by the Senator from Ohio, is perhaps the unearned increment, the increased value of the right of way, terminal facilities, real estate, or anything that it may own. In the second place, it may arise from money borrowed on bonds and invested in the property, and that would be good business—to borrow money at 4 or 5 per cent and put it where it may earn 10 or 15 per cent. But the third, and probably the greatest, source of this increased capital is earnings of the past that have not been paid out in dividends, but have been reinvested in the property.

I will ask the Senator if that is not correct?

Mr. POMERENE. Mr. President, I think the Senator has substantially stated the sources of this increase; and I am not prepared to say to-day, as a fundamental principle of railroad economics, that it is either right or wrong to capitalize surplus earnings. It may be that we will get to the point where we will not want that done; but this is not the time to write in the statute books all these economic reforms, however dear they may be to the ideas of some economists. It must be borne in mind that although during the last few years the railroads have done more business than ever before, and although their earnings during the last two years are greater in dollars and cents than ever before, their equipment to-day is less; and notwithstanding these great earnings the market value of the stocks and bonds has depreciated from 20 to 30 per cent—enough to wipe out the surplus of many of the great financial institutions of the country. Permit me to say, with all due respect, that it is our duty, if we can, to stabilize the value of these securities and not pare down to the bone.

Now, let me call your attention to another matter.

The Senator from Iowa [Mr. CUMMINS] made the statement that under this proposed plan we would pay \$200,000,000 more than we ought to pay. I have indicated pretty clearly that neither he nor anyone else can give us the valuation of this property, so that he can not tell whether we are paying too much for it or not; but assuming, for the sake of the argument, that the value of these properties is substantially the par value of the bonds plus the par value of the stock, that would make the valuation \$17,336,300,619.

It is clear that in some instances the actual investment is less than the par value of the stocks and bonds. In others they are approximately equal. In some others the property is in excess of the stocks and bonds. Assuming that the property value of the roads is equal to the stocks and bonds, then this so-called excessive \$200,000,000 which the Senator from Iowa contends the Government will pay under the plan of the committee bill would only amount annually to 1.15 per cent of the entire investment. Admit that to be so; we speak of \$200,000,000 as if it were a tremendous sum, and it is; but when you distribute that \$200,000,000 over the entire property investment, it only means 1.15 per cent of the total value.

But, Senators, I want to present this at another angle, if I may.

When we speak of a given sum of money we can regard it as a pretty good yardstick by which to determine values during normal times. But if, perchance, the purchasing value of the dollar has decreased, then it is not so safe a guide. Now, let me give you some facts indicating the increases in the cost of railroad supplies. These figures were presented to us in the committee. Assume the value of these different articles during the year 1897 to be \$100, and make that a standard of comparison:

Bridge timbers, in 1897 valued at \$100, in 1908 were valued at \$157 and in 1917 at \$175.

Railroad ties, in 1897 valued at \$100, in 1908 were valued at \$175 and in 1917 at \$225.

Steel rails, valued in 1897 at \$100, in 1908 were worth \$149 and in 1917 \$213.

Bar iron, in 1897 worth \$100, in 1908 was worth \$139 and in 1917 \$301.

Car journal bearings, worth \$100 in 1897, in 1908 were worth \$124, and in 1917, \$261.

Heavy freight engines, which before August, 1914, cost from \$23,000 to \$32,000, 18 months prior to these hearings in January of this year cost \$46,000. The builders' estimated cost during the past year was \$85,000. Due to the price fixing of steel, the railroads expect to get these engines at \$60,000 to \$65,000. In other words, they cost now substantially twice as much as they did before August, 1914.

Freight cars, that cost before August, 1914, \$1,000 to \$1,100, since the price of steel was fixed are quoted at \$2,350.

Oil-tank cars, which before the war cost \$1,200 to \$1,400, now cost \$3,300 to \$3,600.

Mr. STONE. Mr. President, if the Senator will yield—

Mr. POMERENE. I yield.

Mr. STONE. May I ask the Senator if the railroads have been increasing their equipment to any appreciable degree on the higher-priced commodities and cars since the prices have gone up to the heights mentioned?

Mr. POMERENE. No, Mr. President. In many instances they have attempted to make the increase, and perhaps have made some increases. I can not give the Senator exact information on that subject. Suffice it to say that they have let their contracts for a large number of locomotives; but the locomotive builders were not able to furnish them even at these high prices, because under the direction of the Government they were furnishing locomotives to Great Britain, France, and Russia for war purposes.

Mr. SMITH of Michigan. Mr. President—

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Michigan?

Mr. POMERENE. I yield.

Mr. SMITH of Michigan. I did not hear the Senator say anything about the increased cost of fuel.

Mr. GALLINGER. Or labor.

Mr. SMITH of Michigan. Or labor. Has the Senator touched upon that question?

Mr. POMERENE. Mr. President, I have not touched upon that question, but I think we are all pretty well aware that the cost of fuel has been very much higher than it was prior to the beginning of the war, and wages in many branches of the service have been advanced.

Mr. SMITH of Michigan. I presume the facts to be that some of the railroads had laid in large quantities, in fact their normal supply, of fuel, perhaps at a slightly increased cost; but in most instances I have a very strong impression that the scarcity and the high price of fuel seriously affected the question of cost.

Mr. POMERENE. It has affected the railroads just as it has affected every other industry.

Mr. GALLINGER. Mr. President, the Senator's figures comparing the cost of railroad material between 1897 and 1917 rather startled me; certainly two or three items did. Could the Senator, without trouble, read from his notes the difference in the cost of steel rails during that period?

Mr. POMERENE. I did not give the exact figures; I was giving percentages. Assuming the price in 1897 to be \$100, in 1908 the price would be \$149 and in 1917, \$213.

Mr. GALLINGER. I thank the Senator. I was laboring under a misapprehension. I thought he was giving the cost per ton.

Mr. POMERENE. No.

Mr. GALLINGER. But, as a matter of fact, the price has more than doubled during that period?

Mr. POMERENE. It has more than doubled.

Mr. CUMMINS. Mr. President—

Mr. GALLINGER. It occurred to me that if it was the cost in dollars some explanation ought to be given, because it startled me to think that such an increase could possibly have occurred. Mr. POMERENE. I yield to the Senator from Iowa.

Mr. CUMMINS. The increase in the cost of material is well known, but I ask the Senator whether it is not true that the net railway operating income for the year ending June 30, 1917, was not the largest in the history of the roads?

Mr. POMERENE. There is no question about it. The Senator is correct.

Mr. CUMMINS. That being true, the future increase in the cost of these materials or supplies, whatever they may be, so long as the Government has control, will not affect the standard return at all, will it?

Mr. POMERENE. I think that is correct.

Mr. SMITH of Michigan. If the Senator will pardon me—

Mr. POMERENE. I yield.

Mr. SMITH of Michigan. Has the Senator any information going to show that the expenditure for betterments and upkeep has been as large as in the previous years?

Mr. POMERENE. I have no data on that subject at all, but it has been large.

Mr. SMITH of Michigan. Then the Senator desires the statement to stand that notwithstanding the tremendous increase in the cost of supplies and of fuel and of labor and the practically stationary rate for their income, they have made more net profits under such circumstances than in any preceding period?

Mr. POMERENE. Mr. President, if I have not already made it clear I want it understood that my comparison was based upon the fiscal years 1915, 1916, and 1917. There has been a tremendous increase in the amount of traffic on the eastern roads. Since that time there have been considerable increases in the price of wage and the price of railroad supplies. I am not able to state what that effect will be upon the net returns since June 30, 1917, but I think they will show a substantial decrease.

Mr. CUMMINS. Just a question there. No matter what those increases may have been, they do not affect the amount which the Government guarantees to the railroads?

Mr. POMERENE. After the agreement is entered into they do not.

Mr. CUMMINS. It is true, is it not, that we have proposed as a standard the average of the three years 1915, 1916, and 1917, and when that standard is applied to the earnings of those years a certain fixed amount is reached which we guarantee, and so far as all the period after July 30, 1917, is concerned the Government bears the increase in the cost of supplies and materials, no matter what it may cost—

Mr. POMERENE. I can make that perfectly clear in a word, if the Senator will allow me.

Mr. CUMMINS. I felt sure the Senator from Michigan did not fully understand the Senator from Ohio.

Mr. POMERENE. If the bill becomes a law and the President agrees to pay a given rate—\$100 per year—during the period of Government control, it will have to pay that \$100 per year whether the price of coal or iron or steel goes up or down. I think that states the situation. The purpose of it is to arrive at some sort of an agreement which will be fair to the railroads and put an end to this uncertainty.

I have gone into the question of prices, and so forth, more particularly with this purpose in mind, among others, that we speak of allowing the railroads an excessive sum, and when we measure it by the value of the things that the railroads have to buy it is not half as much as it seems.

Now, Mr. President, there is just another thought.

Mr. STONE. If the Senator will pardon me—

Mr. POMERENE. Certainly.

Mr. STONE. I am still in a state of confusion about one thing after listening to the Senator from Ohio and the Senator from Iowa. The basis of the Government compensation, called the standard basis or return, rests upon the average of the last three years. Is that correct?

Mr. POMERENE. That is the rule. That is the yardstick that we authorize the President to take up.

Mr. STONE. To measure the compensation by?

Mr. POMERENE. Yes; that is, he may not go above that.

Mr. STONE. As I caught the argument of the Senator from Iowa, the greater part of which I had the pleasure of listening to and a part of which I was deprived of hearing for reasons beyond my control, his argument was that the Government compensation would be based for the average year of the three years upon capital stock, while the Senator from Ohio contends that instead of that it shall be predicated upon the actual value of the property, and the Senator cited some striking examples. Now, I want to know just what the bill means in that respect.

Mr. POMERENE. I can make my position clear. As far as the Senator from Iowa is concerned, I am sorry the Senator from Iowa was not present to hear the part of the argument referring to this subject. I do not think I misstated his position, and I am not going into the argument now, except to say that the difference, in brief, between the Senator from Iowa and myself is this: He states that after paying all expenses and the interest on the bonded debt under this standard contained in section 1 of the bill we will be paying the railroads too high a return on the capital stock. My contention is that neither he nor I nor anyone else in the United States has any accurate notion as to what the value of these railroads is.

Assuming, for the sake of the argument, that the valuation is somewhat near the sum total of bonds plus stock, then the return which the Senator from Iowa says is excessive when based upon capital stock will be very much less when based upon property investment, if stock and bonds represent anything like the amount of property invested. But we must agree that many of these railroads are overcapitalized. Some of them

have a capitalization which, with the bonds, represent the substantial value of the roads. There are still others that have property accounts, actual investments, in excess of both stocks and bonds. That, I think, will indicate the difference between the Senator from Iowa and myself.

Mr. President, I want to say just a few words with respect to the time the Government control shall terminate. I refer particularly to section 13 of the bill. The bill as originally presented to the committee provided that Government control should last during the period of the war and until such time thereafter as Congress might otherwise direct. The bill as reported to the Senate by the committee in that behalf provides that it shall not continue longer than 18 months after the war terminates.

I recognize the fact that there is a wide difference of opinion not only among members of the committee but among Senators and others as to what we should do after the war is over. I personally would have preferred that we end Government control within six months after the war ends. My belief is that no matter how badly the railroads may have conducted themselves in the past we are to deal with them as they now are. Congress could not take over the railroads at all except as a war measure, and, in my judgment, that means during the period of the war, and at least for a reasonable time thereafter; beyond that we should not attempt to go. The railroad companies and their stockholders and their bondholders and the entire United States are interested in this subject, and, while the railroads in many respects have not done what they ought to have done, my belief is that they have played a great part in the development of this country and the men, women, and children who have their money invested in these railroads have a right to be dealt with fairly, even at the hands of Congress.

That which depressed the value of stocks and bonds was the uncertainty of the future so far as Government control was concerned. If the roads should break down, what would the Government do? Would it do nothing and leave them to the tender mercies of war conditions, thereby crippling transportation and depressing the values of these securities? Or would the Congress do something to help them and thereby assure to them a reasonable return while the Government was controlling them and directing traffic?

I am not here to discuss the question of Government ownership or private ownership or the merits or demerits of either system. I care not from what standpoint we look at this question, whether it be from the standpoint of the advocate of Government ownership or from the standpoint of one who insists upon private ownership and control. What does honor require us to do with these railroads? They are not Congress's property; they belong to the stockholders and the bondholders. Are we doing the right thing when we take possession of these roads through the exercise of the war arm of this Government, and at the same time to say to them and those interested financially in them, "Oh, yes; we took your property as a war measure, and now that we have it we will do with it as we choose?" Ought we keep these railroads until some other Congress that believes in interminable and unlimited debate shall determine when we will let go? That is the proposition. What effect would such a course have on the value of these securities? Let me illustrate.

Suppose, for the sake of the argument, that we have a large corporation. Perhaps by reason of differences of opinions among the stockholders it has been thrown into the hands of a receiver. Or it may be for some other cause. The receiver holds the property. Stockholders and bondholders are interested in it. The officers of the corporation are also interested in it. If they have real estate rented the tenants are interested in it. All these people want to know whether the tenants shall continue to occupy the premises; and if so, for how long. They want to know whether the principal and interest on the bonds are to be paid; and if so, when? And the stockholders want to know whether they are going to get dividends or not. Perhaps those interested want to sell their bonds or their stock, and when prospective purchasers go to inquire they find the company and its property are involved in endless litigation. No one can tell when the end of that litigation is going to come and no one will buy either the bonds or the stocks or rent that property so long as there is that uncertainty about it. Does it not affect values?

Now, apply that thought to the bill here before us. Some men may be interested in Government ownership and think that this will be an opportunity by which to bring it about. Other men, because they may have some feeling of distrust with respect to private control or may want to get even with railroad companies, may want to delay legislation. Some Senators who are abso-

lutely confident of the soundness of their views concerning principles of legislation to be enacted and yet may never be able to get anybody else to agree with them will be interested in holding up this legislation and preventing its final disposition. Meanwhile the railroad organizations do not know what to do. The stockholders do not know whether it is to be Government control or private control, and the bondholders know nothing about it. Is there anyone who will take the position that, behedged by all these uncertainties, we are adding anything to the value of these stocks and bonds?

But whether it does have that effect or not, if these railroads belonged to the common criminals of this country they have the right to know what their Congress is going to do with their property.

It seems to me—and I say it with due respect to the very able men who differ from me—I have not yet heard one sound reason in favor of an unlimited control for an unlimited time of these railroads, particularly when we have taken them over as a war measure. If it is the judgment of the majority of the Senators here and of Congress that Government control should be continued or that we should have Government ownership, do not the principles of common fairness and honesty suggest that the Congress shall tell them now what they are going to do so that they may get their house in order? Those, briefly stated, are my reasons for fixing a limit for Government control now in this bill.

Mr. STONE. May I ask the Senator to give me his well-matured opinion—I use that expression because of the study he has given to this measure—as to the scope and meaning of the concluding clause of the bill?—

But this act is expressly declared to be emergency legislation enacted to meet conditions growing out of war; and nothing herein is to be construed as expressing or prejudicing the future policy of the Federal Government concerning the ownership, control, or regulation of carriers or the method or basis of the capitalization thereof.

Now, just a word before the Senator answers. Does the Senator interpret that as a suggestion or legislative intimation of Government ownership or of Government capitalization of railroads? I have some views upon that point which I am not going to express now, but having entered as we have upon this universal program of governmental control, I have an apprehension that when we come out of it we will be faced with one of two alternatives, namely, the taking over of the railroads into absolute Government ownership, or a capitalization of the railroads in order to protect the great interests involved, and in order that these great transportation facilities may be conducted with the greatest possible efficiency in the public interest. I anticipate that sort of an issue.

The question I ask the Senator, however, is whether this concluding paragraph is not a suggestion to the Congress and to the public that some such thing as that might be done, and at least that the doing of that thing is not antagonistic to the judgment of the honorable committee reporting the bill.

Mr. POMERENE. Mr. President, I can of course only give my own view about it, and I am not quite sure that I shall be entirely accurate in my statement of the facts. The bill as presented originally provided that Government control should continue during the war and until Congress should otherwise direct. That of itself, in the judgment of some members of the committee, had a suggestion of continued future Government control, or, it may be, of Government ownership. There were in the committee, and have been ever since I have been a member of it, many men of many minds. I understood the purpose of this language was to make it perfectly clear that by the enactment of this law the Congress would not be committing itself to any one of these policies which might have been in the minds of Senators. I think that fairly states the meaning of that language, at least as I understood it.

Mr. WATSON obtained the floor.

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum has been suggested. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Beckham	Hale	King	Phelan
Borah	Harding	Kirby	Pittman
Caldier	Hardwick	Knox	Poindexter
Chamberlain	Henderson	McCumber	Pomerene
Cummins	Hitchcock	McKellar	Ransdell
Curtis	Hollis	McLean	Reed
Dillingham	Johnson, Cal.	McNary	Robinson
Fernald	Johnson, S. Dak.	New	Saulsbury
Fletcher	Jones, N. Mex.	Norris	Shafroth
France	Jones, Wash.	Nugent	Sheppard
Frelinghuysen	Kellogg	Overman	Simmons
Gallinger	Kendrick	Owen	Smith, Ga.
Gore	Kenyon	Page	Smith, Mich.

Smith, S. C.
Smoot
Sterling
Stone
Sutherland

Thomas
Thompson
Tillman
Trammell
Underwood

Vardaman
Wadsworth
Warren
Watson
Weeks

Williams
Wolcott

Mr. BECKHAM. I desire to announce that my colleague, the Senator from Kentucky [Mr. JAMES], is absent from the Senate on account of illness.

The PRESIDING OFFICER. Sixty-nine Senators having answered to the roll call, there is a quorum present. The Senator from Indiana will proceed.

Mr. WATSON. Mr. President, from the financial standpoint this is the most colossal proposition ever presented to any legislative body in the history of the world.

It involves \$18,000,000,000 in property.

It involves securities of an almost equivalent amount, which enter into, if indeed they do not form the basis of, the financial stability and the commercial prosperity of the Nation.

It involves taking this vast property from the hands of those who made it and those who own it and committing it to the operation and control of the Government.

It involves transferring the authority to make rates from the legislative to the executive branch of the Government.

And, if the time limit set forth in the last section be stricken out, it may prove to be the first step in the Government ownership of all the transportation facilities and all the methods of communication of the entire land.

And, therefore, we are warranted in the assertion that this measure wears features more extraordinary if not, indeed, more startling than any hitherto met with in the legislative annals of the world.

THE AMERICAN PRECEDENT.

Senators, this is not the first time in our history that the exigency of war has called forth legislation of this character. In our civil conflict it became necessary, in the judgment of the President and of Congress, to take over the railroads as a matter of military necessity, and to that end Congress in 1862 enacted the following statute:

Be it enacted, etc., That the President of the United States, when in his judgment the public safety may require it, be, and he is hereby, authorized to take possession of any or all the telegraph lines in the United States, their offices and appurtenances; to take possession of any or all the railroad lines in the United States, their rolling stock, their offices, shops, buildings, and all their appendages and appurtenances; to prescribe rules and regulations for the holding, using, and maintaining of the aforesaid telegraph and railroad lines and to extend, repair, and complete the same in the manner most conducive to the safety and interest of the Government; to place under military control all the officers, agents, and employees belonging to the telegraph and railroad lines thus taken possession of by the President, so that they shall be considered as a post road and a part of the Military Establishment of the United States, subject to all the restrictions imposed by the rules and articles of war.

SEC. 3. *And be it further enacted,* That three commissioners shall be appointed by the President of the United States, by and with the advice and consent of the Senate, to assess and determine the damages suffered or the compensation to which any railroad or telegraph company may be entitled by reason of the railroad or telegraph lines being seized and used under the authority conferred by this act, and their award shall be submitted to Congress for their action.

SEC. 4. *And be it further enacted,* That the transportation of troops, munitions of war, equipments, military property, and stores throughout the United States shall be under the immediate control and supervision of the Secretary of War and such agents as he may appoint; and all rules, regulations, articles, usages, and laws in conflict with this provision are hereby annulled.

And I especially call your attention to the latter portion of section 5 of said act, which provides:

That the provisions of this act, so far as it relates to the operating and using said railroads and telegraphs shall not be in force any longer than is necessary for the suppression of this rebellion.

And, sir, while we are legislating in accordance with a portion of this precedent it might be equally wise for us to follow it all.

Mr. President, a glance at section 1 of this act shows that it granted wider powers than those conferred by the pending bill; for by it the President was not only authorized to take over all the railroads of the country, but also all the telegraph lines as well; and not that alone, but to place all the property thus taken under military control and to make all the operatives of both these systems Federal employees.

It will be observed that section 3 of this act authorizes the appointment of a commission to determine the question of compensation and that their decision was to be reported to Congress for their action. However, this could have been intended only as preliminary or tentative, because the right of appeal to the court could not have been denied in that case or in this instance.

But, Senators, so fearful were the eminent men who composed that Congress of the exercise of autocratic powers by the President; so jealous were they of the rights and prerogatives of the legislative branch of the Government, and so

determined were they to cling to what they regarded as the real fundamentals of our institutions that, in 1863, they passed the following resolution limiting the powers granted by the act just cited:

Resolved, etc., That an act entitled "An act to authorize the President of the United States in certain cases to take possession of railroad and telegraph lines, and for other purposes," approved January 31, 1862, shall not be so construed as to authorize the construction of any railroad, or the completion of any line of road, the greater part of which remained uncompleted at the time of the approval of said act, or to engage in any work of railroad construction. And so much of said act as authorizes the President of the United States to extend and complete any railroad is hereby repealed.

So that at all events we have a conspicuous precedent in our own history for the general principle involved in this legislation.

THE PRESIDENT'S AUTHORITY.

Mr. President, all the features of this bill are of sufficient importance to demand a most diligent study on the part of every Senator, but the three distinctively important sections are the first, which defines the standard rate; the tenth, which designates the rate-making authority; and the thirteenth, which fixes a limited time on governmental control. These excited the most prolonged debate in the committee and they will doubtless arouse the greatest interest here.

The President did not take possession of the railroads under the general war powers of the Constitution, but pursuant to an act passed by Congress on the 29th day of August, 1916. Section 1 of that act provided in part that—

The President in time of war is empowered, through the Secretary of War, to take possession and assume control of any system, or systems of transportation, or any part thereof, and to utilize the same to the exclusion, as far as may be necessary, of all other travel thereon, for the transfer or transportation of troops, war material, and equipment—

Then followed this generalization—

or for such other purposes connected with the emergency as may be deemed or desirable.

It is idle for us to discuss whether or not he was authorized by the provisions of this act to take complete possession of all the transportation systems of the country for all purposes. In my judgment he was not so authorized. But he has otherwise construed the act; he has taken such possession, and therefore a discussion of his power to do so would at this time be wholly academic.

In his proclamation notifying the country that he had taken possession of the railroads he said:

I have exercised the powers over the transportation systems of the country which were granted me by the act of Congress of last August, because it has become imperatively necessary for me to do so.

And, as if further to show that he derived his authority from this statute, he recited in another clause of his proclamation that he took possession and assumed control through Newton D. Baker, Secretary of War, as is provided in the act just quoted, thus conclusively showing that, in his judgment, he derived his authority to act through the law of August 29, 1916.

Construing his authority as complete, he has taken possession of the railroads; he is now operating them through the Director General; he has construed the act of Congress as sufficiently broad to clothe him with this power; and therefore any further discussion of his right to do so can throw no light on or add anything of value to the pending measure.

A FEW FUNDAMENTALS.

Before beginning a detailed discussion of section 1, I desire to cite a few elementary principles, the very announcement of which will obtain for them a ready acceptance by all:

First, the railroad properties of the United States are privately owned. It is not intended by this measure to expropriate the owners. The Government does not seek to transfer the title. All this act provides is that the President shall take possession of the railroads and control and use them for all purposes. If we were seeking the title to these properties, it would be necessary for us to pay the owners their full value; but we are taking only the possession, control, and use of the transportation systems of the country, and, therefore, all that we are seeking to do by this legislation is to furnish a method of determining a just compensation for what we take.

It will not be forgotten, of course, that under the fifth amendment to the Constitution private property can not be taken for public purposes without just compensation; and this legislation is sought in order that the whole question of compensation may be amicably determined, if possible, without litigation; and yet, if such settlement can not be reached, providing the proper tribunal to finally determine it.

Senators, we are all familiar with the principle that Congress has no power to determine the measure of just compensation. That is exclusively a judicial function and must be finally settled by the courts alone.

After the President had taken over the railroads and it became necessary to compensate the owners for the property thus wrested from their hands, two courses were open to Congress: First, to commit the whole subject to the courts, by an appropriate resolution, and permit the entire question of compensation to be determined without any further legislative action. Second, to designate some outside authority—as in this case, the President—and confer upon him power to agree with the railroads as to the measure of just compensation. Congress might confer upon him unlimited power, but this bill does not go so far; it only provides a maximum beyond which he may not go. It merely sets forth terms upon which he may trade with the railroads and upon which they may agree, so that the whole question can be settled without litigation.

If the President and any railroad agree as to the terms of just compensation for taking over its property, then the question is settled as to that road. If the President and any one road can not agree, then a tribunal is established for the determination of the question, and under the provisions of the Constitution recourse may be had to the courts as a last resort in the adjudication of the issue.

SEVERAL BASES.

Mr. President, during the progress of the hearings before our committee several suggestions were made as to a proper basis for computing just compensation. One was that the market value of all the stocks and bonds of all the railways should be taken as a basis, and that a percentage of income on this value should be allowed to the railroads.

The objection to that was twofold: First, because stocks very often do not represent the real value of the property, and, secondly, because they so frequently and so violently fluctuate in price and are so often subject to manipulation and speculation that they could not form a sound basis upon which to determine the value of the use of the property they represent.

A second basis proposed was that the actual value of each railroad property be taken and that the rate of income on this value should be fixed by this act. The all-sufficient answer to that was that the war would probably be over before we could ascertain the value of each railroad property. A commission has been working on that problem for some years and it will be at least another year before their labor can possibly be concluded. Therefore this suggestion could not be adopted.

Another proposition was that we should provide for a reasonable rate of interest on the original cost of construction plus the money actually invested that was derived from the sale of securities.

I regard this as an absolutely illogical proposition, because it is impossible of achievement. Nobody knows, and nobody ever can ascertain, the original cost of construction, and that alone renders impossible the adoption of that basis.

The plan proposed in this bill appeared to us to be the most feasible and the most practical under all the circumstances. It is not ideal, but nothing ideal should be asked at this time. The railroads have been taken over, compensation must be made, legislation can not be long delayed, and therefore this plan was agreed upon as the best under all the circumstances to properly compensate the owners as well as to fully protect the Government.

JUST COMPENSATION.

Mr. President, this measure authorizes the President to offer each railroad as a just compensation for its possession, control, and use:

First. An annual payment equal to the average yearly income of that road for the three years ending June 30, 1915, June 30, 1916, and June 30, 1917.

Second. In addition thereto an agreed rate per cent on the cost of all improvements, approximately \$130,000,000, made between June 30, 1917, the end of the fiscal year, and December 28, 1917, the date of taking over the roads.

Third. To guarantee the maintenance of the road at its present efficiency during the period of Government control.

Fourth. An agreed rate per cent on all betterments made during the operation of the road by the Government.

In addition to these stipulations other inducements to the roads to accept these terms are provided.

Section 6 authorizes the President to order additions or improvements to any road, as in his judgment they may be needed, to be paid for, if necessary, out of the revolving fund provided by this measure, and to be later accounted for in accordance with some plan to be hereafter agreed on.

Section 7 provides that any carrier may, in order to meet its financial obligations, issue such additional securities as will enable it to do so, and authorizes the President to buy such securities, if in his judgment it may be necessary. Thus we see that the President is authorized to make all needful ar-

rangements, through agreement with the various roads, to operate and maintain and finance all the transportation systems of the country as a nationalized unit, and thus insure the greatest possible results for the purposes of war.

And so, Senators, at the very threshold of this discussion we are confronted with this question, Are the terms authorized by this bill insufficient or more than sufficient to guarantee full compensation to the roads for their possession, control, and use during the period of the war?

It should be borne in mind throughout this discussion that Congress is not seeking to adopt an inelastic rule of just compensation, but that it is only authorizing the President to trade with the roads and is establishing a maximum limit beyond which he may not go in making the trade. Is the rule herein provided unfair? Is it unjust either to the Government or the stockholders?

The senior Senator from Iowa [Mr. CUMMINS], as well versed on this question as any man in the Republic, has argued with great force that the President will, as a matter of course, pay the railroads the amount of the standard return herein provided, and has argued that some of these returns are unjustifiable. Mr. President, all we can do is to look to the language of the bill to determine the authority of the President in this connection. It expressly provides that the President is authorized to guarantee as just compensation to any carrier making operating returns to the Interstate Commerce Commission an amount "not exceeding an annual sum" payable each year.

Whether or not the return received by any railroad is too high or too low depends upon the opinion of the man pronouncing judgment; but we have every reason to believe that, if the President shall conclude that for the past three years some of the railroads have been paying out to their stockholders unwarranted dividends, and that therefore the amount they would receive under the provisions of this bill would also be unwarranted, he could deal with that railroad in accordance with the facts and provide for a return that, in his judgment, would be justifiable. In other words, the President is not compelled by the terms of this bill to pay the maximum herein provided, but it is a matter of discretion with him as to how far he shall go, within the limits herein established, in making an agreement with each railroad. We have no right to prejudge his decision by declaring in advance that it will be otherwise than as just as can be made under the existing conditions.

Is the rule herein provided unfair? Is it unjust to either the Government or the stockholders?

It may somewhat illuminate the subject to remember that in 1914 the Government of England took over the operation of their transportation systems, and, in fixing a measure of just compensation, they guaranteed to the railroads an equivalent for the net operating income for the year 1913, with certain modifications, that having been the most prosperous one in the history of those systems in that country.

The Government there, as would the Government here under this authorization, took all the revenue above the standard return, and so satisfactorily has the plan operated that the Government will no longer publish the returns received from this source.

Under the ruling of our Interstate Commerce Commission class 1 includes all the railroads of this country whose annual operating income exceeds a million dollars. The average property investment on all the railroads of that class in the United States for the three years ending June 30, 1917, totaled \$16,873,832,797. Their average net railway operating income for the three years amounted to \$896,259,264, or 5.31 per cent on the property investment.

The aggregate property investment of all the railroads of all classes on the 31st day of last December amounted to approximately \$18,000,000,000, and the average income of all these roads for the three years ending June 30, 1917, was substantially nine hundred and forty millions, or about 5.25 per cent. This sum is the maximum amount that may be paid to all the railroads that are to be retained in accordance with the proclamation of the President, and may largely be reduced by agreement.

For it has not yet been definitely determined what roads will and what roads will not be operated by the Government, and, under section 13 of this bill, the President has until the 1st day of July, 1918, to determine that question; but whatever they may be, this measure if enacted into law practically guarantees as a maximum the average dividend declared by such roads as are taken over as were paid for the last three years, and therefore this average return for all of the railroads of practically 5.30 per cent on the investment certainly can not be held to be extravagant; and, as herein provided, other arrangements can be made by the President and any railroad that paid no dividends in the period covered by the standard return, and a less sum may be paid to any road that has been distributing extravagant dividends.

ANOTHER STATEMENT.

The 38 railway systems of the eastern district are of tremendous importance to the country. They comprise something more than a fourth of the mileage and do a much larger proportion of the business. Here the great congestion early occurred and has ever since continued, and here the great burden of the country's transportation falls.

I shall not weary the Senate with a recital of figures, but shall content myself with a few generalizations that I believe will explain the situation quite as fully as an imposing array of statistics.

Taking the annual income of these roads for the last 15 years and comparing that income with the average rate authorized by this measure, it will be found that with most of these roads and for most of the years in that period the average return exceeded the average provided by this bill. I will give but a few instances to emphasize this statement:

The average annual return for the Delaware, Lackawanna & Western was greater for 9 of the last 15 years than the average return authorized by this law.

For the Detroit & Mackinaw it was greater for 12 years, for the Hocking Valley it was greater for 9 years, for the Lehigh Valley it was greater for 13 years, for the Maine Central it was greater for 5 years, for the New York Central it was greater for 2 years, for the Pennsylvania it was greater for 10 years, for the Pere Marquette it was greater for 4 years, for the Reading it was greater for 4 years, for the Wabash it was greater for 5 years, for the Toledo, St. Louis & Western it was greater for 10 years, for the Wheeling & Lake Erie it was greater for 7 years.

So that, so far as the average per cent authorized by this bill is concerned, certainly no one can claim that it is at all unreasonable.

ANOTHER WAY OF STATING IT.

The average per cent of net operating income on the property investment of these 38 roads for the three-year period ending June 30, 1902, was 5.37; for the three-year period ending June 30, 1905, was 5.51; for the three-year period ending June 30, 1908, was 5.70; for the three-year period ending June 30, 1911, was 5.47; for the three-year period ending June 30, 1914, was 4.68; for the three-year period ending June 30, 1917, was 5.31; and thus it will be seen that the average return for the three-year period ending June 30, 1917, the period of the standard return provided in this bill, was less than the average return for any other three-year period, save one, in the last 18 years. Viewed from this standpoint the rate herein proposed can not be fairly criticized as being extreme.

The average annual return on all the railroads of the United States was greater for 1902, 1903, 1905, 1906, 1907, 1910, 1916, and 1917 than the average for the three years under the provisions of this bill, and therefore it can not be fairly claimed that the per cent of returns authorized by this proposed legislation is unreasonable, or that it is unjust to either the railroads or the Government.

SOME COMPARISONS.

Compared with returns upon investments in other fields of industry, the one here contemplated is even meager, made so because railroads are subject to governmental regulations, while the others are not.

It is generally known that it takes \$5 of railroad investment to produce \$1 of earnings. Bituminous coal mining produces \$2 gross revenue for every dollar of capital invested; anthracite mining, 60 cents; packing-house products, \$3.39; milling, \$2.48; oil refining, \$1.30; cotton manufacturing, 56 cents; wool manufacturing, 98 cents; automobile manufacturing, \$1.32; glass furnaces, 80 cents; rolling mills, 37 cents; canning and preserving, \$1.33; the railroads, 20 cents; and thus it will be seen that, as compared with the earning capacity of capital in other investments, the provisions of this bill can not be said to provide for an exorbitant guarantee to railroad investors.

VALUE OF USE.

It was argued with great force before the Committee on Interstate Commerce that the value of the use of what the Government took over is what the compensation should be, a proposition that, from the legal standpoint, is sustained by all the courts, and that is what the committee has attempted to approximate in its authorization to the President to trade with the roads.

But the argument was carried still further, the contention being that the value of the use of the property at the very time it was taken over is the real measure of its value, and that this sum, once ascertained, should be reflected in this bill.

I do not agree with this contention. It is quite true that it would be unfair to take the value of the use in 1915 as the meas-

ure of compensation for the roads taken over in 1917, for an expenditure of \$2,000,000,000 was made on the roads between June 30, 1915, and June 30, 1917; but it is equally unfair to ask that the value of the use at the very time of the taking over should be the determining factor in fixing just compensation for the reason that unusual conditions caused an immense increase in the traffic of the country just at and before that particular time.

If one were seeking to buy the establishment of Woodward & Lothrop or Parker & Bridget he would not be content to take the value of the trade the last two weeks before Christmas in order to ascertain the financial returns of the institution, for common knowledge would teach him that there is a great volume of trade at just that particular time. He would be compelled, in order to ascertain the real value of either store, to take the receipts for a series of months, or even years, before he could arrive at a just conclusion as to the real value of the property.

The same is true of the railroads. It is manifestly not unfair to take the traffic and the profits and the financial status of these carriers for a three-year period in order to ascertain the value of the use taken by the Government, for in this adjustment of the standard return the amount of money appropriated since 1915 is thus accounted for and its revenue-producing ability is not lost sight of. This method of determining the standard return seems to me to be entirely justified on every reasonable hypothesis.

ADDITIONAL GUARANTY.

I am well aware of the fact, Mr. President, that in addition to the return per cent above set forth, the President is authorized to guarantee the upkeep of each railroad taken over and to maintain its equipment at its present standard of efficiency. To do this he is authorized to use part of the revolving fund herein established, or he may use the surplus earnings of the roads over and above the standard return, which, under the provisions of this bill, go into the Treasury.

Senators, this may seem as if we were seeking to deal with the railroads in most generous fashion, and yet, when carefully analyzed, the compensation is by no means extravagant. It must not be forgotten that the average annual rate of 5.31 per cent guaranteed the railroads by this bill is net return, with only taxes to be deducted. Assuredly if the Government takes over the roads and allows them but 5.31 per cent, the average return on investment for three years, and then requires them to maintain their own properties at their maximum efficiency out of those earnings, certainly no one will assert that that is a fair rate.

Assuredly the roads should be permitted to at least preserve their present financial status while being operated by the Government, and it is certainly most desirable that investors in railroad securities should not be placed in a worse position now than they were under private management.

Senators, I make bold to say that, even though the amount guaranteed by this bill were extravagant, yet it is far better for us to deal generously with these properties than it is to plunge the entire transportation system of the United States into litigation that will inevitably last throughout many months.

Senators, the President has taken over these properties; he has dispossessed the owners; they no longer have the right to operate their own roads; they are debarred from the privilege of reaping the reward of their own industry and frugality; they can no longer draw dividends on their own investment, save as it is guaranteed by the Government. These people who, through a series of years, have invested their savings in railroad shares, now that the use and possession of their property have been forced from them, are entitled to a fair compensation, and especially in view of the fact that the returns for many years have been rendered legal by the action of the Interstate Commerce Commission. The railroads have not made the rates; the railroads have not fixed the returns on invested capital; that has been the work of the Interstate Commerce Commission, the deputy of Congress for that purpose, and therefore the returns through all these years have been legalized by an agency of the Government.

Shall it be said, therefore, that a comparison with those rates is an unfair one? Shall it not rather be assumed that past rates are just and reasonable and that the present law should authorize at least as great a return as those heretofore permitted, yea, enforced by the Interstate Commerce Commission?

Undoubtedly there will be something of inequality in the results obtained under the operation of this bill. Undoubtedly some railroads will be paid more and some may be paid less than they are fairly entitled to receive. If we were working out an equitable scheme for all the future and had abundance of

time in which to complete the task, we should undoubtedly be able to devise more impartial plans and arrive at juster conclusions.

But it must constantly be borne in mind that this is a war measure, that it is hasty legislation, that it is forced upon us by extreme conditions, and that the ideal under such circumstances is impossible of accomplishment.

WHAT IS REALLY PAID.

As above stated, the net average railway operating income herein provided for class 1 roads amounts to \$896,259,264. Adding the average net operating income for classes 2 and 3 the maximum guaranty which the President is authorized to make all the railroads of the United States under the provisions of this act is \$935,000,000, and this is approximately \$100,000,000 below their income in 1917.

The President is authorized, in addition to the above, to agree with the railroads upon a rate per cent on all investments made between June 30, 1917, the end of the fiscal year, and December 31, 1917, the time of taking over the railroads. That sum is approximately \$130,000,000. If the President and the roads should agree upon a 5 per cent basis, that would amount to \$6,500,000. Adding that to the \$935,000,000 above set forth and the maximum sum on which the President and the railroads can agree, under the provisions of this bill, is thus seen to be \$941,500,000.

But, Mr. President, it must not be forgotten that out of this sum the railroads pay their excess-profits tax, which Commissioner Anderson testified to our committee would be between \$50,000,000 and \$90,000,000. This bill provides that that sum should be deducted from the payment made to the railroads, because the stockholders in the railroads must pay their excess-profits tax the same as those in any other line of business.

From that sum must also be deducted the interest on the bonds, which amounted last year to approximately \$450,000,000.

Mr. President, in 1912 the railroads paid approximately \$339,000,000 in dividends; in 1914, \$376,000,000; in 1915, \$259,000,000; in 1916, \$281,000,000; and in 1917, approximately \$300,000,000.

It is quite true that gross incomes for 1916 and 1917 were much higher than for previous years, but because of the vastly increased expenses of operation, including cost of equipment and higher wages, the net income was but slightly greater than for previous years.

It is worthy of remark also, to which attention has been called by the Senator from Ohio [Mr. POMERENE], that the purchasing power of a dollar at this time is not over 60 per cent as great as it was in 1914, and this should be taken into account in estimating the surplus.

And, Mr. President, it will not be forgotten by those who are taking an interest in this legislation that the stockholders will receive not more than their average dividend for the last three years, and that all surplus over and above such average dividend is to be either put back in the road, returning the dividend in the form of betterments, or else turned into the Treasury to become public money.

NECESSARY TO AVOID LITIGATION.

Senators, the railroads are not compelled to accept any terms ordered by the President. They have their rights. They are protected by the Constitution and the law of the country. This property is theirs, and they can not be dispossessed without just compensation; and, therefore, it is better for us, under existing circumstances, to deal generously with these roads than to have \$18,000,000,000 of securities plunged into litigation, with all that that means to the finances of the country at the present crucial time.

We know that the Secretary of the Treasury contemplates an immediate bond issue running into the billions. Will anybody contend that the Government can sell these bonds when \$18,000,000,000 of securities that form the foundation of our financial stability are rendered insecure by litigation? Is it the part of wisdom to drag these vast properties into court and thus to shake the very foundations of our financial strength and our monetary stability in order to drive a hard bargain with the owners of the railroads?

For myself, I would rather pay more than they are worth than to involve them in litigation, than to suspend them in mid-air, than to destabilize the value of these securities, than to strike fear to the hearts of all their holders, than to cast a shadow over the whole financial problem of the country at a time so perilous.

In my judgment, we can not afford to delay the immediate settlement of this problem. We should deal with a generous hand with these roads rather than have them seek the courts to adjudicate their claims.

It is the hope of the committee that the terms offered in this bill will be accepted by practically all the roads, and that the entire matter can thus be amicably disposed of in a comparatively short time and without litigation. It is either that or else drag them all into court and plunge them all into litigation, and thus tie the hands of those who are endeavoring in this extreme crisis to deal with the great financial problems that confront and complex us.

This is no time for extreme measures in the financial world. This is no time to foster doubt, to create distrust, to incite dissensions. Rather should we exert ourselves to the utmost to maintain peace here and to promote harmony in all the fields of domestic activity.

Ten billions of liberty bonds must soon be sold or we shall fail in our great task; and in order to make sure the success of this Herculean undertaking we must stabilize these railroad securities, and all others based on them, and thus sustain the confidence of all our people in the financial stability of the United States.

RATES REASONABLE.

I am not unmindful of the fact that complaint is made because some railroads have received much larger sums as earnings and have paid much heavier dividends than others, but this has resulted because of the legal necessity imposed upon the Interstate Commerce Commission to make rates uniform throughout the country.

Let us suppose that there are two roads running through the same territory, and that one of them, for various reasons, secures and handles the burden of the traffic, receives the heavier returns, and pays the larger dividends. If the rate be raised in order to stimulate the earning capacity of the other road, the returns of the first road are thereby rendered all the greater and the dividends all the larger; whereas, on the other hand, if the rate be lowered in order to prevent the more successful road from distributing such large dividends, then the weaker road is still further crippled or rendered altogether useless and the successful road is left without any competition whatever. This will always be true while rates must be kept uniform and competitive.

Senators, this is the direct result of the legislation of past years compelling competition and forbidding the pooling of either traffic or earnings.

UNEQUAL REVENUE.

It is undoubtedly true that some railroads have earned and distributed greater dividends for the last few years than others, but this is no time to remedy this evil, if evil it be. This is no time to readjust the whole rate system of the country; nor should anyone seek to take advantage of the present situation to attempt to equalize earnings and adjust financial inequities. This inequality of earning capacity, of receipts and dividends, has grown up under the direct supervision of the Interstate Commerce Commission. The whole system has been legalized, and I submit that this is no time to attempt to remedy all the evils that have been evolved out of so complex a fabric as the railroad corporations of this country.

Rather let us have the roads operated as they are, let the dividends be paid as they have been, and then at the close of the war we can by appropriate legislation cure the defects and remedy the evils that are now so apparent to us all. This is a war measure, and it is not intended to be remedial legislation.

During the progress of this discussion the dividends paid by certain roads have been recited as showing the unfairness of this legislation and the injustice done the people because of the sums that will thus be paid to these corporations.

But, sir, I submit that it can not be fairly argued that the mere volume of business transacted by each road or the aggregate dividends it pays to its investors is evidence of the unfairness of the rates on its traffic or of unjust methods in its dealings.

Fortunately, we are not left to the wide field of conjecture in the determination of this question, for the courts have decided this very point time without number and the line of authority is unbroken on this issue.

In the case of Cotting against Kansas City Stock Yards Co. (183 U. S. Courts), the Supreme Court, speaking upon this very point, quite forcefully and cogently says:

Pursuing this thought, we add that the State's regulation of defendant's charges is not to be measured by the aggregate of his profits or determined by the volume of his business, but by the question whether any particular charge to an individual dealing with him is, considering the service rendered, an unreasonable exaction. In other words, if he has a thousand transactions a day and his charges in each are but a reasonable compensation for the benefit received by the party dealing with him, such charges do not become unreasonable because by reason of the multitude the aggregate of his profit is large. The question is not how much he makes out of his volume of business, but whether in each particular transaction the charge is an unreasonable

exaction for the service rendered. He has a right to do business. He has a right to charge for each separate service that which is reasonable compensation therefor, and the legislature may not deny him such reasonable compensation and may not interfere simply because out of the multitude of his transactions the amount of his profits is large. Such was the rule of the common law even in respect to those engaged in a quasi public service independent of legislative action. In any action to recover for an excessive charge, prior to all legislative action, who ever knew of an inquiry as to the amount of the total profits of the party making the charge? Was not the inquiry always limited to the particular charge and whether that charge was an unreasonable exaction for the services rendered?

In *Canada Southern Railway Co. v. International Bridge Co.* (S. App. Cas., 723, 731) Lord Chancellor Selborne thus expressed the decision of the House of the Lords:

It certainly appears to their lordships that the principle must be, when reasonableness comes in question, not what profit it may be reasonable for a company to make, but what it is reasonable to charge to the person who is charged. That is the only thing he is concerned with. They do not say that the case may not be imagined of the results to a company being so enormously disproportionate to the money laid out upon the undertaking as to make that of itself possibly some evidence that the charge is unreasonable with reference to the person against whom it is charged. But that is merely imaginary. Here we have a perfectly reasonable scale of charges in everything which is to be regarded as material to the person against whom the charge is made. One of their lordships asked counsel at the bar to point out which of these charges were unreasonable. It was not found possible to do so. In point of fact, every one of them seems to be, when examined with reference to the service rendered and the benefit to the person receiving that service, perfectly unexceptionable according to any standard of reasonableness which can be suggested. That being so, it seems to their lordships that it would be a very extraordinary thing indeed, unless the legislature had expressly said so, to hold that the persons using the bridge could claim a right to take the whole accounts of the company, to dissect their capital account, and to dissect their income account, to allow this item and disallow that, and, after manipulating the accounts in their own way, to ask a court to say that the persons who have projected such an undertaking as this, who have encountered all the original risks of executing it, who are still subject to the risks which from natural and other causes every such undertaking is subject to, and who may possibly, as in the case alluded to by the learned judge in the court below, have the whole thing swept away in a moment, are to be regarded as making unreasonable charges, not because it is otherwise than fair for the railway company using the bridge to pay those charges, but because the bridge company gets a dividend which is alleged to amount at the utmost to 15 per cent. Their lordships can hardly characterize that argument as anything less than preposterous.

And it is worthy of observation that this same principle runs through all the decisions of the courts on the point in question. And so the mere fact that some railroads have distributed larger dividends than other railroads is no reason why at this time we should seek to equalize those inequalities or to rearrange those inequities, and especially when these have been already legalized by the action of the Interstate Commerce Commission.

ANOTHER VIEWPOINT.

Take the Chicago, Burlington & Quincy Railroad, cited by the Senator from Iowa as having distributed 26 per cent as dividends on its earnings. What does that argue? Simply that that road, either because its builders had the foresight to construct it through a better freight and passenger producing territory than its competitors, or because the country it serves has since become a more productive one for traffic, partly due doubtless to the railroad itself, or because it handles freight and passengers more swiftly and more safely, or because of the efficiency of its advertising force, or because of the intelligent activity of its business-getting organization, or because of certain economies practiced, or because of all these reasons combined, that that road has been able to make more money than its competing line and therefore has paid larger dividends to its stockholders. But it must not be forgotten that that has all been done under governmental regulation. It has all been accomplished under the direct supervision of the rate-making authority. Is that any reason why those dividends should now be denied to those investors? Does that furnish a rational basis for arguing that these people should be refused the same rate of return on their investments under this form of governmental control that they received under the last form of governmental control?

I am not unmindful of the contention that these roads are quasi-public corporations; that their very existence depends upon a franchise granted by the public; that they, to a limited degree, exercise governmental functions, as in the right of eminent domain; and that therefore they are entitled to earn nothing but a fair per cent, say, 5 or 6 on the investment made. In fact, we are now hearing the novel doctrine announced that if the Government decides to take over the title to all the railroads and enter upon a period of Government ownership it will not be necessary to pay the stockholders the value of the property in order to expropriate them, but that all they are entitled to receive is a fair rate of interest on the original cost of construction and the capital that has since been added from the sale of securities. This means that the shareholders are entitled to no portion of the earn-

ings, and that if they have denied themselves dividends in order to put these earnings back into the property by way of betterments, nevertheless the Government is entitled to all the increased value of the property from such invested earnings and that the stockholders have no right to share with it in that increment.

I grant you, sir, that if in the future we are to operate all the railway systems of the country as one unit under governmental control, an equal return will be just and equitable, but I can not concede that as to the past, where practically the entire success of railway operation was wrought, and the whole value of the property was developed, by capable management.

Mr. President, I believe that it is a fallacious doctrine of economy that holds that all there is to any business is the capital invested and the labor employed. Rather, I believe that every successful enterprise rests upon the three elements of capital, labor, and management.

We all believe that capital is entitled to a fair return; we are all well aware of the economic truth that the wages paid labor are the surest barometer of a nation's prosperity and the best evidence of a nation's abiding welfare; but, nevertheless, management can not be left out of the calculation in accounting for the success of any enterprise.

We are all constantly pouring out our heartfelt tributes of praise to our gallant soldier boys and stand ready to support them with all the resources of this mighty land; but yet, sir, we look to the general to lay out the plan of campaign and to manage the forces we place at his disposal. We pay the general \$8,000 a year and the soldier \$300 not because the private is less patriotic or less essential to warfare or less deserving of our love, but because we depend so much upon management to fight battles and win victories.

Capital is always plentiful and can be had on good security at reasonable rates; labor is always abundant and can be had at fair wages; and in the vast majority of instances failure is traceable not to the lack of either of these elements, but to the absence of successful management. Is this third essential, therefore, to be denied all participation in the profits of the concern? Even with the railroad company dependent upon a public franchise, is the successful management by which it has been built up through many years not to be taken into account in ascertaining its earning capacity?

Let us suppose two roads running through the same general territory, obtaining franchises from the same authority, having substantially the same earning capacity. The managers of one pay large dividends and apply only a small portion of the revenues to the upkeep of the property, just enough to insure its profitable operation. The managers of the other, however, pursue a different course. They pay only a fair dividend and year after year expend all the undivided profits on the roadbed, sidetracks, terminals, improved cars and engines, and, in general, take a just pride in betterments.

In the one instance the earnings have been distributed to the stockholders and have been expended for personal use; in the other, a good part of them are here, in tangible form, in the improved condition of the property. Shall there, then, be no distinction between them, if the Government is to take over their roads? To so argue is to penalize thrift and good management and economy and to place a premium on carelessness and selfishness and inefficiency.

But it is answered that this leveling of the earnings of all the roads is rendered both necessary and just because they are essentially creatures of the Government and can not even exist without a franchise.

Senators, we have a measure pending in this body now that will compel practically every business in the entire country to secure a license to do business from the Secretary of the Treasury. So that, if it become a law, permission granted under its provisions will virtually constitute a franchise, a Government license to engage in the business specified. Simply because such license or franchise is granted, will anyone say that each enterprise thus licensed shall receive the same return on its capital as every other enterprise, or that each shall realize the same dividends as every railroad is to receive under this act, or that none of them shall be entitled to receive more than 6 per cent on their investment?

I know, Mr. President, that here is the place that various schools of thought in this country step in. As to the railroad property, the members of those schools announce that capital plus management are entitled to but a small percentage of the earnings so long as private ownership is endured.

When confronted with the argument that other concerns, not dependent on the Government for a franchise, are permitted to earn much larger dividends on the capital invested, they at

once assert that the Government should either license or take over all properties, so that there should be an absolute level of earnings allowed by the State in all enterprises and on all investments, as the only way in which to promote a just and lasting equality among men. This is the inevitable conclusion of their doctrine; the sure result of their theory followed to its logical finality.

Mr. President, I am as much opposed to the extreme individualist as I am to the extreme collectivist, but, nevertheless, I still insist that whenever you destroy individual initiative, whenever you take away the individual incentive to self-betterment; whenever you undermine the individual desire to accumulate and to progress, you bring the whole of the people to the dead level of a blighting and milderewy mediocrity and strike a blow at the very vitals of a republican form of government.

AUTHORITY TO MAKE RATES.

Mr. President, the next important question involved in this controversy grows out of and is based upon section 10 of the pending measure. It confers upon the President of the United States power to initiate rates, subject to revision upon complaint by the Interstate Commerce Commission.

It can not be denied that rate making per se is a legislative function and does not fall within the purview of the Executive authority. I could very well wish myself that there were no exigency like that which confronts us, but the fact remains that there is and that extreme measures are always necessary in order to successfully cope with extreme conditions.

Congress has the sole right to fix rates. This power has been recognized by the courts over and over again, and there is no break in the uniformity of the decisions on this point. Personally, I should never consent to transfer this authority except upon the most exigent necessity, but I have reached the conclusion, not indeed without difficulty, that the present situation warrants this change.

This bill is a war measure. It deals with an unusual situation, and therefore confers unusual power. It bestows upon the President an authority that but very few would dream of placing in his hands in a time of peace, but it is essential that the railroads should be nationalized, that the entire transportation system of the country should be operated as a single unit, that waste should be eliminated, that congestion should be relieved, that expenses should be curtailed, that everything essential to the successful conduct of the war by this country should have just precedence, and that in order to meet the great demands now made upon us there should be a perfect coordination of the various railroad systems of the United States. This means, of necessity, that their control and operation should be placed in the hands of the executive department of Government. The Congress can not run the railroads; the judiciary can not run the railroads; and while in a time of peace the authority to make rates should remain lodged in the legislative branch of the Government, yet in order to properly and certainly finance the operations of all the railroads, under the provisions of the pending bill, it seems to me that there is no escape from the conclusion that it must be done by the executive branch of Government alone.

The President by the provisions of this act is authorized to guarantee the roads a fixed dividend, to insure the maintenance of every railway system at its present efficiency, and if necessary for the good of the service to finance improvements, betterments, and additions. He is thereby rendered directly responsible for the financial outlay, and per force should be entitled to the financial income. If he is to meet these responsibilities he is entitled to the surplus earnings or those that rise above the standard level herein described. It may be necessary, therefore, to successfully carry out this vast project, for him to raise the rates, and he should be given the power to assume the initiative in this undertaking.

COMMISSION FINAL ARBITER.

Even under these conditions the right of final decision is reserved for the Interstate Commerce Commission, and it is probable that the body of rates they have established will be very slightly disturbed, and certainly not at all, unless under pressure of an imperative necessity.

In this connection I desire to read a recommendation made by the Interstate Commerce Commission itself, as recorded on page 78 of the 1916 report. It shows that they then regarded the body of rates so perfect that they recommended that it be permanently established by legislative enactment. They say:

All rates, fares, and charges have been open to complaint for a period of more than 10 years, within which the commission had power to fix the future maximum rates. For a period of more than six years all proposed increased rates have been subject to protest and suspension before becoming effective. Obviously there should come a time when as to the past the general level of the rates and the relationship of rates should be fixed as reasonable. We are convinced that the best interests of the entire public, of the system of governmental regulation

of rates, and of the railroads will be served by the enactment of a statute which as of a specified date fixes the existing interstate rates, fares, classifications, rules, regulations, and charges as just and reasonable for the past, and which provides that after that date no change therein may be made except upon order of the commission.

And thus, Senators, unless spurred on by an imperative necessity it is not probable that the President will change the body of rates that is the result of such patient study and such deliberate thought as the present ones, based as they are upon three decades of experience and observation by trained and competent men.

And so in order to perfectly coordinate these vast systems of transportation; in order to operate them as a nationalized unit; in order to successfully cope with the financial problem presented, I can see nothing threatening to either the railroads or the Government, much less revolutionary, by the adoption of section 10 of the pending measure.

THE TIME LIMIT.

Those who insist on continuing the governmental control of the railroads herein granted for an indefinite time base their contentions on three grounds: First, that if a limit to such control be fixed Congress may not pass such legislation as will be required to return the properties to private management; second, that the Government should continue to control the railroads in the future and that the policy hereby inaugurated should be permanent; third, that this is but the first step toward Government ownership which should become the permanent policy of the country.

The all-sufficient answer to the first contention is that the 18 months herein prescribed is ample time for Congress to provide for the return of these properties to private management. What right have we to assume that the Congress that will be in existence at the close of this war will not understand their duty, or understanding it, fail to do it? We have every reason, on the contrary, to believe that Congress will meet the imperative demands of the time and enact whatever legislation and establish whatever system of control may be required for the future operation of the railroad systems of the country. To say otherwise is to assert that representative form of government is a failure and that the very democracy that is leading the world in the present fight for its fundamental principles has broken down, and that I shall not believe.

In simple truth, Senators, we can enact adequate legislation for this very purpose, and with this very end in view, before the close of this war and, in my judgment, 6 months instead of 18 would have been ample for both the Government and the railroads to prepare for a return of the possession, control, and use of these systems to their rightful owners.

GOVERNMENTAL CONTROL.

Mr. President, as to the second suggestion, I desire to say I do not believe that the railroads of this country will ever be permitted to return to the old competitive system which we have compelled them to pursue for the last 30 years. I do not believe they should be permitted to return to that system. I believe that they will be nationalized; that they will be operated as one transportation system; that they will not be compelled to compete; that they will be permitted to pool their traffic and their earnings; that useless lines will be abandoned; that all the property and all the equipment which every railroad has heretofore provided for its own operation and its own use, will be used in common by all the other railroads in the nationalized system. I believe that the Government will control and finance this unit, and that private ownership will be continued in the future as in the past. In other words, complete governmental control with private ownership of the property controlled.

I shall not at this time enter upon an extended argument of this theory, but shall take advantage of the first opportunity presented to fully express my views to the Senate on this vital question.

Suffice it in this place to say that the tremendous success achieved by the Railway War Board in the nine months of their control is a most forceful illustration of what can be done under a unified railroad system properly managed. Influenced by this example it may safely be predicted that the American people will never permit the American railroads to return to the old system of competition. I believe that it is gone forever; that the Sherman antitrust law, so far as it affects railroad combinations, will be repealed; that antipooling laws, directed at railroad operations will, in so far as they affect the transportation systems of the country, be abrogated, and a plan will be adopted which will give the Government practical control of American railroads, without the weakness and the inefficiency incident to Government ownership.

THE THOUGHT HABIT OF THE PEOPLE.

It is very strange that, when almost anything of an unusual nature occurs in the finances of this country, something that

momentarily retards prosperity or interferes with the orderly procession of events, there are a vast number of people who are ready to lay the cause of it all at the doors of the railway managers of the country.

This has come to be the fixed impulse of the American people. In many of its phases that mental state is doubtless right, but in others it is unquestionably wrong, for it frequently strikes at the railroads because of the known fact that they have been guilty of so many grievous wrongs in the years gone by.

Everybody knows of the vast speculation incident to railway finance; of the manipulation of stocks by those to whose keeping they were committed by confiding investors; of secret rebates granted to favored corporations; of the tremendous evils growing out of interlocking directorates; of the sinister and underhanded methods, star-chamber processes, and dark-alley plans inaugurated and consummated by many railroad corporations in the days gone by. These crying evils naturally resulted, first, in a protest, and then in a storm of indignation, and then in restrictive legislation lasting through a series of years, resulting in the application of the Sherman antitrust law to railroad combinations; of antirebate laws; of railway-rate regulation; of widening the powers of the Interstate Commerce Commission; of the formation and increasing activity of State regulating bodies.

It finally became exceedingly popular to assault the railroads, and every legislature in the country had a body of reformers whose sole claim to fame was the number of bills introduced seeking to strike at the railroads or at railway management. There were, indeed, many giant evils to be dealt with, but those who wanted sensibly to reform them were outdistanced by the vocative demagogue, who simply desired to take advantage of the popular feeling against railroads for his own self-advancement.

Naturally under these conditions the pendulum swung too far in the opposite direction, and presently the railroads found themselves with ever-increasing wages, with ever-advancing prices, with constantly diminishing revenues, and yet with importunate demands of the public that they should increase their facilities and improve their equipment and handle both freight and passengers with swifter facility; and all this continued until the railroads became helpless in the presence of this unfriendly condition of the public mind. And in the meantime, be it said to the credit of the railway management of the country, they had so improved their property that—

Nowhere else were tracks and track structures capable of sustaining such heavy loads; nowhere else were there locomotives of such great tractive power or capable of so economically turning coal into train miles; nowhere else were there freight cars strong enough and large enough to concentrate a tonnage within so few trains or without such short lengths. Where, in short, railway trains moved loads far in excess of the capacity of railway trains of other countries, and, as the efficiency of the railway trackage is limited by the number of the trains that can be passed over it, this has produced the result that, per dollar of investment, American freight movement far exceeded that of all other lands. In consequence in part of this high state of mechanical development and of this remarkably efficient management the American railroads, at the beginning of the present war, were performing all their service at far the lowest charges anywhere known and were being more largely utilized than those of any other nation.

RAILROAD FINANCES.

Under these conditions, pressed as they were between the upper millstone of increasing expenses and the nether one of decreasing revenues, the railroads came as early as 1912 to a place where they earned less than 6 per cent upon the value of property which they used and operated in the public service. When the investing public became aware of this situation they declined longer to buy railroad securities. They became fearful of the financial future of the railroads, because the investor would no longer invest in railroad securities.

It was announced by James J. Hill many years ago, and later reechoed by other railway managers, that a billion dollars a year would be needed for many years to come to meet all the requirements of railway construction and efficiency in this country. And yet in 1916 only \$64,101,000 was obtained by the railroads and since January, 1915, only \$91,535,000—this exclusive of refunding, and more could not be had.

It is well known to all that as far back as 1905 and 1906 first-mortgage bonds of the highest class sold at an average price of 103, and now those same bonds are selling at an average price of 84. It was recently heralded in the New York papers that the New York Central issued a hundred million debentures bearing 6 per cent interest, an unusual mark for securities of that grade. In 1916, when the stock of that railroad was above par, it offered to its old stockholders twenty-five millions of new stock at par, but its managers were unable to place this sum and the offer was withdrawn. To-day that stock sells at 75.

The simple truth is that all regulated investments have steadily declined in value and in dividend-earning capacity, while unregulated industries have flourished untouched by the hand of the

Government, and this has naturally led all capital to seek investment in unregulated securities.

To illustrate, in 1894 there were 110 railways listed on the New York Stock Exchange; in 1904 there were 102; in 1914 there were 92; in December, 1917, but 88.

In 1894, 22 of those listed were selling at par; 38 in 1904; 22 in 1914; and but 14 in 1917, while at the same time, on the other hand, unregulated industries increased perceptibly in both respects and their securities were freely taken at desirable rates. This shows the waning confidence of the investing public in railroad securities, caused by insistent regulations, amounting at times to almost strangulation, by the perpetual hammering by all commissions to satisfy the demands of the shipping public, by vastly increased cost of operation, and by knowledge of the fact that railroads were not permitted to earn dividends that would justify the investment.

And, Mr. President, this chaotic condition of railway finances all the more certainly justifies the pending legislation and all the more clearly points the way outlined in this bill.

GOVERNMENT OWNERSHIP.

But, Senators, Government control is not Government ownership, although the two are frequently confounded in the public mind; and although they are used interchangeably by many bodies in drafting resolutions, in reality they are as wide apart as the poles.

Government control means the adoption of a plan that would enable the Government to have charge of the operations and the financing of all the roads without being compelled to buy them. Government ownership would necessitate the purchase of all the property, valued at approximately eighteen and one-half billions of dollars. It would at once deprive the States of something more than a hundred and fifty millions by way of taxation. In Indiana the railroads paid, in 1917, \$5,888,000 in taxes, State and local, on a valuation for taxation of \$240,000,000, or approximately 11.6 per cent of the total assessed valuation on the property in the State for taxation. The elimination of this great sum would seriously cripple other forms of industries, that would be compelled to bear this increased burden of taxation under Government ownership. Proper governmental control would not involve this relinquishment.

If the Government owned the railroads they would be directly administered by the President and his Cabinet; but I am persuaded that it would be far preferable that some plan should be devised that would mean advisory control, exercised very much as England is handling its railroads to-day.

PRIVATE MANAGEMENT.

Governmental control will undoubtedly enable the railroads of the country to handle all the traffic in any time of peace and practically all of it in this time of war. It is not necessary that a policy of Government ownership should be adopted in order to secure this desired end. This is conclusively proved by the results of private management since the formation of the Railway War Board, on the 11th of April, 1917, six days after we plunged into this struggle.

Mr. BORAH. I wish to ask the Senator if I understand him to be in favor of Government control even in time of peace?

Mr. WATSON. Yes, sir.

Mr. BORAH. The same as we are now assuming it in time of war?

Mr. WATSON. No; I would not say the same; but, as I said just a moment ago, I do not care to enter at this time upon a full discussion of the plan that I have in my own mind, and even that has not been worked out to its final detail—

Mr. BORAH. I did not desire to interrupt the Senator, but the statement was rather interesting.

Mr. WATSON. I do not know whether or not the Senator honored me with his presence a few moments ago when I went over that at some length, not in detail but as a generalization.

What was the situation that confronted these five gentlemen who composed that board at the time of our declaration of war?

THE COAL SITUATION.

It will be remembered that in June, 1917, Secretary Lane called a number of gentlemen together to a conference in Washington for the purpose of consulting with Mr. Peabody, who had charge of that department of the Council of National Defense that had to do with the production and distribution of coal. They agreed on a price of \$3 a ton at the mine. Immediately thereafter Secretary Baker announced that that sum was too high, and that he would not consent to pay it for Army purposes. Secretary Daniels subsequently made the same announcement with reference to the Navy. Shortly thereafter Dr. Garfield was made Fuel Administrator, and he also announced that that price was too high and advised the people of the country to wait for cheaper coal. I am not saying this for the

purpose of animadverting upon the conduct of these gentlemen, but I am only arguing as to what produced the great congestion under which the country suffered during the last year. This produced two results, both of which were unsatisfactory: First, private consumers did not buy, and winter came on and found their bins empty. As the cold weather approached and they found that prices were not to be reduced, there began a wild scramble for coal which resulted in the railroads attempting to meet the transportation demands and largely aided in bringing on the worst congestion in railroad traffic ever known in this country.

Second, it resulted in many large concerns, which were not hopeful of lower prices, buying in large quantities and thus preparing for the future, so that in reality the coal problem was not so much one of transportation as of distribution.

Take, for instance, the domestic sizes of anthracite. There is really no excuse for an increase in the consumption of that product, except the ordinary growth of population; and yet it is known that very many communities received fully a third more than ever before. This meant that the railroads hauled the coal, but that certain persons bought and stored it and there was not a general distribution.

About this time a very great number of vessels engaged in coastwise trade were commandeered by the Government for trans-Atlantic uses, and a number of others, whose owners were attracted by the hope of great profits, also entered the cross-ocean service. This threw a greatly increased tonnage on the railroads for immediate transportation. Seventy-five per cent of the population of New England is located within 50 miles of tidewater and, very naturally, the heaviest movements of coal from the West Virginia field ought to be, and under ordinary conditions is, by water. Yet, notwithstanding the increased demand for coal at Boston, the railroads were compelled to carry a very greatly increased quantity, because of the diversion of vessel tonnage from this service.

It was stated before our committee that one railway in 1916 had carried a million tons more than in 1915, while the tonnage carried by water was 650,000 tons less than in the previous year.

In addition to that, the Interstate Commerce Commission required all railroads touching on the Great Lakes to dispense with the boats which they had operated to and from the ports they reached, and this greatly reduced the available tonnage for the movement of coal on the Great Lakes, and thus added to the burden of the railroads; and so the unfortunate coal situation increased tremendously the congestion that occurred in the fall of 1917 and that has continued throughout the winter months.

ANOTHER CAUSE.

From September, 1914, to August, 1915, practically 2,000,000 tons of freight were handled by the Atlantic and Pacific ports through the Panama Canal. When the war broke out the attractive rates on steamships for trans-Atlantic trade induced these carriers to drop the canal route and enter the cross-ocean business; and in this way 2,000,000 tons of freight were thrown on the already overburdened railroads. To handle this amount requires every day 46,000 cars and 619 locomotives, and this further added to the congested condition of the railroads.

PRIORITY ORDERS.

One of the most potent influences in producing this congestion was the indiscriminate use of the preference envelope by shipping agents of the various departments. Under the direction of the Quartermaster General's Department the railroads printed what they were pleased to call a blue envelope, and freight on any bill of lading inclosed in one of these envelopes and marked "United States Government service" was given preference.

Mr. Kruttschnitt, president of the Union Pacific, thus portrays the results:

Now, the Army, because of the vast tonnage it was shipping and the great number of officers charged with disposing of its freight, used those envelopes for a great deal of freight that really did not require preference movement.

In other words, it was used for everything the Government bought and a very large quantity that it had not. Say, for instance, that a manufacturer was turning out 10,000 tons of freight, 1,000 tons of which was for governmental uses. Now, not only that 1,000 tons obtained preference, but preference envelopes were also used by the manufacturer for the other 9,000 tons as well. This practice continued until on the Pennsylvania Railroad in the Pittsburgh region fully 85 per cent of the entire tonnage was shipped under Government preference.

Every article consigned to any officer of the United States, all the war material ordered by our allies on their own account, all raw material and supplies of every character for the manufac-

tured product intended for any of the entente Governments, together with all shipments of troops, of whom more than 2,000,000 were transported within a few months, were supposed to be moved, at least required to be moved, on priority orders.

Because of the anxiety of the American Government to meet the exigent demands of the occasion and our great haste to aid our allies, we rushed thousands of carloads to the seaboard cities, particularly New York, Boston, and Newport News, that could not be properly cared for. There was an utterly inadequate number of ships to carry so great a tonnage across the ocean; there was no storage capacity equal to caring for such shipments, and, therefore, thousands of cars were left upon the sidetracks and were used as warehouses for storage purposes. But a short time ago one country alone had supplies stored at different seaports along the Atlantic in excess of its ability to carry over the ocean for the next seven months. It was stated before our committee that the total freight now awaiting transportation at all these ports amounted to 2,000,000 tons. It is thus apparent that all these supplies were rushed to the seaboard in advance of necessity; that thousands of cars were used as warehouses to store this tonnage until such time as it could be transported, and that thereby the transportation system of the country was most injuriously affected.

Of course, it is quite manifest that where everything is preferred nothing is preferred, and yet the endless congestion resulting from this system, together with the direct orders from the priority board, could not fail to bring about just such a bewildering condition as the one that has retarded industry and produced much suffering throughout the country during the last few months.

ANOTHER PLAN.

Mr. President, if I had been formulating this bill I would have provided for the appointment of a board of five to have charge of the railroads under Government control, hoping that the President would have been induced to appoint the five really strong and capable men who composed the railway war board that took charge of the railroads under the most unfavorable conditions conceivable and wrought the most marvelous results. Immediately after our declaration of war this board was selected by an appropriate resolution passed by the railroad presidents of the country, and, to use the language of Mr. Fairfax Harrison, chairman of the board—

Following the adoption of this resolution 631 railroads, comprising 262,000 miles of line in the United States, immediately coordinated their activities, and for eight months have been operated as a unified continental system.

I challenge the world to show equal results under anything like similar circumstances.

He further says:

Quoting the chairman of our central department: "By this act this great railway system with all its facilities was made to serve the Government in this crisis as completely as if it had owned them, and at the same time the Government was spared the expense of buying the roads and the responsibility and labor of managing them."

And in not one single instance was a request that they made refused or an order that they issued disobeyed.

And it is most significant that this organization was purely voluntary and was not required by any legislative enactment.

By increasing the tonnage pulled by every locomotive; by a system of intensive loading by means of which the amount put in each car was increased 5 per cent; by means of the increase of train miles made by each locomotive and by each car each day; by means of laying off excess passenger service; by means of transferring 100 engines from the southwestern district to the congested eastern district; by means of using the railroads as one system and routing freight regardless of pay to the railroad used; by means of diverting freight from New York and Boston to southern ports; by all these and other methods they increased the ton-miles per month per locomotive 1,094,800, or 16 per cent, and also augmented the ton-miles per freight car 14,670, or 14.2 per cent over the preceding year. In reality, this added 4,897 locomotives and 339,497 freight cars to the equipment of the carriers.

Two thousand eight hundred and forty locomotives and 141,475 freight cars, on the average, were ordered each year between 1907 and 1916. This additional equipment, therefore, was equivalent to the immediate delivery, without cost, of one year and nine months' locomotive orders and two years and four months' car orders.

Mr. President, it is worthy of comment that all this was done in the face of the fact that railroads could get no more money for additional equipment; that although they had large orders for locomotives and cars, they could get none of them made because of the demands of the Government on all steel mills; that locomotives and cars already built were commandeered by the Government and sent to Russia and France; and that they were compelled to, and were enabled to, bring about this tremendous increase in traffic solely by the management of the railways as a unified system.

FURTHER RESULTS OF PRIVATE MANAGEMENT.

For the calendar year 1915, the roads of classes 1 and 2 carried 309,965,120,264 revenue ton miles; in 1916, 365,760,988,679; and in 1917, the vast total of 409,403,341,005. In the same time the same roads made 33,298,921,845 passenger miles in 1915, 35,186,307,900 in 1916, and over 36,000,000,000 in 1917.

To visualize it in another way and use the language of Mr. Kruttschnitt:

Now, if we estimate the ton mileage for the entire year from the ton mileage for the half year by doubling it, we would have the astounding total of 409,000,000,000, which is an increase of 135,000,000,000 over 1915. These figures really convey nothing to the mind unless we get some way to picture them. We can form this picture thus: According to the last available statistics of the railroads of Canada, Germany, Great Britain, Russia, France, and Austria, excluding Hungary, those nations having populations of 323,000,000 souls and 178,000 miles of railroads, the entire freight traffic handled by the roads of all those countries only equals the increase of the traffic handled by United States roads in 1917 over 1915.

And that increase alone amounted to more than the entire tonnage handled by the railroads in 1906.

Mr. President, is anyone so bold as to state in the presence of these stupendous statistics that it is necessary to have Government ownership of the railroads of this country in order to handle the peace traffic of the Nation? Mr. Kruttschnitt does not think so, for he specifically stated that if the railroads could have the same kind of cooperation in peace that they have in war there would be no trouble in managing the peace traffic of the United States, even though the tonnage were largely increased.

Mr. Hall, chairman of the Interstate Commerce Commission, in his testimony before the Interstate Commerce Committee, in answer to the question, "Wherein did the railroad managers fail to bring about perfect coordination?" answered:

I have not suggested that they did fail.

He further said, and his testimony is exceedingly valuable on the point at issue:

The carriers by rail in this country have been called upon to take care of the traffic that they have been accustomed to have, plus the traffic that no longer moves in part or in whole by water, plus the demands from across the sea growing out of the war, plus the later demands incident to our great expenditures in preparation for doing our part on that side, and plus also the movement of something like 2,000,000 of men to various cantonments, plus the transportation of all material that went into the construction of those cantonments and of entire supplies for those cantonments. They have had to respond to the activity of the Shipping Board, and to do so many, many other things that any attempt to enumerate them would be vain. But it is a perfectly tremendous increase in traffic moving very largely along certain of these main-line routes that was met in part by a campaign for increased loading which has yielded very remarkable results, and for prompt loading and unloading, which has also yielded very remarkable results; and I think it is safe to say that there has been a greater degree of cooperation between shippers and carriers since we got into this war than at any time in the history of railroad operation in this country.

Who is there to say, in the presence of these facts, that it is essential for the Government to own the railroads, with all that that means to our institutions, in order to take care of the traffic of the country?

It is worthy of remark, Mr. President, that Commissioner McChord, in his testimony before the Interstate Commerce Committee, was not willing to say that the railroads had failed even under the stress of war. In that connection he simply said:

I do not concede that the carriers could not have relieved the situation.

Further on in his testimony this question was asked:

In other words, your opinion is that if they had nationalized the roads, as they might have done, they themselves under their management could have directed and managed the roads so that they could have handled the traffic?

And to this he answered:

I think so.

It is perfectly manifest that Government ownership is by no means essential to moving the peace traffic of the country, when in reality the war traffic could, in all human probability, have been successfully handled by private management under private ownership had a little more time been given in which to do it. When private management can so handle the railroads as a coordinated unit as to increase the traffic 20 per cent over what it was in 1916 and 50 per cent over what it was in 1915, is there any reason to doubt that it could successfully handle the peace traffic of the country?

Mr. President, I in no wise disparage the efforts of Mr. McAdoo when I say that he has not handled the railroads any more wisely or any more effectively than the Railway War Board. If it be said that in the six weeks of management under his control the weather has been exceedingly bad, it must be stated by way of offset that the weather was also very severe for some time before he took control, as the testimony before the committee conclusively shows.

Mr. George N. Shriver, vice president of the Baltimore & Ohio Railway Co., testifying on that point before our committee, in answer to a question as to whether or not traffic conditions were improved at the time of his testimony over what they had been before, said:

I doubt very much if they are improving, because we have had a spell of the most severe winter that we have ever experienced, so far as I know, in this whole eastern territory, particularly along the line of the Ohio River. Places where ordinarily you will get no lower temperature than, say, 20° above, for a week past and for a great deal of the period since December 1, have been showing 4°, 5°, and down to 12° below zero. For instance, at points like Cincinnati and Dayton, where they ordinarily are not prepared for severe winter weather, engines froze up in the roundhouse; and there has been a great deal of that. Now, when those engines freeze up it takes longer to get them shaped up again for service. If I may put it in this way, ordinarily we may have five days of very severe winter weather that suspends things for a few days, but these difficulties can be overcome in another week. This winter we have had 30 or 40 days of continuous severe weather, and it will take time to overcome the effects, because we can not make repairs as quickly as we could before, and the number of engines out of service is greater.

This statement was made on the 9th of January, as shown by the hearings. So it can not be said that Mr. McAdoo's management of the railroads has failed because of the weather, any more than it can be charged that the management of the Railway War Board failed because of the weather. It is perfectly obvious that when the tremendous demand for coal is lessened far less of that product will be carried, and all other products will have a larger opportunity for transportation.

Mr. McAdoo will probably accomplish results, because he is largely operating through the gentlemen who so successfully managed the railroads and because he has formulated no new policy and adopted no new scheme, but has contented himself with following out the suggestions heretofore made by them, and which they would have followed out had they been left in control. I regard this as very wise on his part, for he definitely stated before our committee that he had no great knowledge of railroad management.

I cite these facts and make this argument not because I am in favor of returning to the old system of private management, but to show that Government ownership is not necessary in order to take care of the railway traffic of the country.

My objection to returning wholly to private management is that in the time of peace the railroads might not be operated as they were under the Railway War Board; that the old competitive methods might be readopted; and that all the old systems, with all of their evils, might again be foisted upon the public. Therefore I favor such public control as will preserve the good and prevent the evil of private management and at the same time avoid the dangers and pitfalls of Government ownership.

No wonder that the Railway War Board won the unstinted praise of the President, of the Secretary of War, of the Quartermaster General, and of all others familiar with their great work. They accomplished their prodigious task amidst unparalleled difficulties, and they consummated their great work voluntarily, undriven by law and uncompelled by statute, actuated solely by motives of patriotism.

Even under these extreme conditions that management brought the railroads to that high degree of proficiency that they handled this vast amount of freight and these great numbers of passengers at less expense than they ever had been handled by any other railroad system on earth. The average gross earnings per ton-mile of freight in the United Kingdom was 2½ cents; and, using that as the basic figure of 100 for comparative purposes, in Germany it was 1.37 cents, or 60 per cent of that of the United Kingdom; in France it was 1.03 cents, or 57 per cent of that of the United Kingdom; in Switzerland it was 2½ cents, or 111 per cent of the British rate; and in the United States it was 0.71 cents, or only 31 per cent of the British rate; and it ought not to be forgotten that all this was brought to pass by private management of privately owned railroads.

WHAT GOVERNMENT OWNERSHIP MEANS.

Senators, the Government ownership of railroads will undoubtedly be immediately followed by the Government ownership of the telegraph and telephone systems and express companies. We have already gone to great lengths in experiments with Government ownership. We have a Government-owned railroad in Alaska; we have a Government-owned nitrate plant; we have a Government-owned armor-plate plant; we are erecting two Government-owned munition plants. In my judgment, without any authority of law; we have a Government-owned merchant marine; and we are so far committed to that policy that it is time for us to pause long enough to see whether we are drifting as a Nation.

I believe that Government ownership of all methods of transportation and all means of communication, adding 4,000,000 of

people to the pay roll and converting them into Federal employees, would ultimately result in the destruction of our form of Government. Undoubtedly it means a letting down in efficiency, it means a lowering of all the standards of effectual workmanship, and it means a vastly increased outlay of money for a vastly inferior service. Everyone who is familiar with the operations of the governmental departments knows that to be true.

FIRST STEPS IN SOCIALISM.

Government ownership is not in itself the adoption of socialism, but it is the first step in the socialistic program. Mr. Morris Hillquit, late candidate for mayor of New York on the Socialistic ticket and one of the foremost leaders of this cult, as one of its most voluminous writers, and who therefore speaks with authority, in his work *Socialism Summed Up*, page 25, thus sets forth the definite aims of the Socialist propaganda:

Stated in more concrete terms, the Socialist program requires the public or collective ownership and operation of the principal instruments and agencies for the production and distribution of wealth—the lands, the mines, railroads, steamboats, telegraph and telephone lines, mills, foundries, and modern machinery. This is the main program and the ultimate aim of the whole Socialist movement and the political creed of all Socialists of every school. It is the unflinching test of Socialist adherence and admits of no limitation, extension, or variation. Whoever accepts this program is a Socialist, whoever does not is not.

Individual Socialists may differ in their individual socialist conceptions. They may come to the Socialist ideals by various routes, they may disagree on every question of method, but they are all in accord on the main subject of the movement. The common complaint about the numerous varieties of socialism springs from a superficial knowledge of the Socialist philosophy. As a matter of fact, no political party has ever advanced as definite, consistent, and uniform doctrines as those of international socialism.

Sir, this is in direct line with the announcement of the final purpose of socialism by all the Socialists of the world from Karl Marx and Frederick Engel, who collaborated and produced what is known as the Communist Manifesto, which is the Bible of Socialism, the two stars of the socialistic firmament down to this hour.

I am opposed to indefinite extension of Government control, because it opens up the way for, if indeed it is not intended by many as the first step toward, Government ownership. Certainly it is in complete harmony with the purpose of all Socialists, national and international, the force that is asserting itself so tremendously in all nations at this time.

Public ownership means other millions working for the Government; it means the extension of civil service over this vast number of citizens; it means that the civil-service system, regardless of its merits in the past and of the high purpose of those who conceived and those who have since enforced it, is quite likely to fail because of the power it will be required to exercise; it means the inescapable temptation to use this force as a political machine, to raise the wages of all employees before election, and to use all the other means of control and methods of subordination known to the American people, and sometimes used by politicians in the stress of a campaign.

I do not believe that we, as a Nation, can stand that strain. I do not believe we should place such dangerous power in the hands of any man. I do not believe that we should confer such extreme authority over such a vast number of American citizens upon any individual. It is contrary to the very purpose of our theory of government.

If we take the first step along this socialist highway, who so wise as to prophesy what the last may be? Aye, who so bold as to deny what the next will be? Unquestionably, Mr. President, we are face to face with the settlement of this stupendous problem, and we should not commit ourselves even to the first of its doctrines without preparing to accept them all or to fight them all, for, if we inaugurate this program, in the end it will all be forced upon the country and, in my judgment, forced upon it to the destruction of our form of Government.

Mr. President, if we have in this country Government ownership of railroads, telegraphs, telephones, and express companies, immediately the demand will come to take over the mines; in fact, we are told that the administration is even now preparing to take charge of the mines and of the oil fields. This may now be, or may hereafter become, necessary as a war measure; but, sir, if the control of all these public utilities shall continue in the time of peace, as it is now proposed that the authority invested by this bill shall, there is the gravest danger that any President, backed by the power his position naturally gives him over the press and over the people, and backed by all the tremendous agencies he can use for the formation of public opinion and the vast influences he can bring to bear for the creation of public sentiment, might make himself the Chief Executive of this country so long as he chooses to do so, and that would ultimately mean the overthrow of the form of Government created by the fathers and preserved to us by the countless sacrifices of

succeeding generations. Therefore, I am opposed to the first step of that program.

Senators, there is a lion at the door. Shall we open it wide and run the risk of restraining his savage fury after he is in, or shall we not rather close the door and keep him on the outside and make sure that we shall be saved from his power?

I am decidedly in favor of the time limit imposed in this bill. There is no occasion for further extending it. The Congress in existence at the close of this war will meet the exigencies of the occasion. The American people will demand that this question be dealt with wisely and patriotically and bravely, and the American Congress will heed that demand.

I early offered an amendment providing for a six months' limitation on governmental control after the proclamation of peace. The committee has seen fit to extend the limit and, while I very much prefer the shorter period, yet I am content to see the latter imposed. I am unalterably opposed to having these vast powers conferred for a longer period than the occasion which requires their creation.

All the other authority conferred upon the President is for the period of the war. This, too, is a war measure. There is no possible justification for it on any other theory. The President's proclamation recites that this step is taken because of the compulsion of war; he sets forth specifically that he took this action under the statute of August 29, 1916, which is nothing but a war enactment and wholly for war purposes; this very bill recites that this legislation is rendered necessary as a war proposition.

Why, then, should not the powers it bestows cease at a specified time after the war? On what theory can it be definitely extended? Who is willing to contend that it is necessary, in order to win this war, to permit Mr. McAdoo or any other man to control the railroads long after the war shall have ceased? Mr. President, this limitless control smacks too much of personal politics to secure my vote.

STILL GREATER AUTHORITY.

Senators, the Overman bill now pending before this body confers upon the President unheard-of powers, many of which to my mind are entirely unjustifiable, but the most reprehensible feature of that measure, in my judgment, is the one that provides that this autocratic authority shall continue for one year after the termination of the war. Why this provision? Why seek in that measure, as in this, to perpetuate power asked to prosecute war into the days when there shall be no war? These are war powers. They are asked for war purposes. They are not constitutional, they are not in harmony with the spirit of our institutions, they are irreconcilably opposed to every theory of our Government, aye, they are un-American, on any other hypothesis. They have no place in our peace establishment and every patriot should cry out against these efforts to take advantage of the extreme necessities of war to seize unlimited authority to be used for some purpose in the days of peace.

Sir, I am willing to confer upon the President—any President—all the power necessary to win this war; I have voted for several measures the necessity of which I doubted, because he stated that the authority sought was essential to the successful prosecution of this conflict, and I shall so vote in the future when my judgment is convinced; but, sir, I am not yet convinced that in order to win this war it is necessary to confer upon the President these tremendous powers for a period of peace long after this conflict shall have ceased.

There may be slight justification for some such action in connection with the pending bill, because legislation is necessary before the roads are turned back to their owners, but no such excuse can be offered for the Overman bill. That but shows a sheer desire for war power for peace purposes, and for one I shall never vote to confer it. It is asked because of the war; it arises wholly out of the necessity of this conflict; and, if granted, it should all cease with the ending of this conflict.

Mr. KELLOGG. Mr. President, may I ask the Senator a question?

The PRESIDING OFFICER (Mr. McKellar in the chair). Does the Senator from Indiana yield to the Senator from Minnesota?

Mr. WATSON. Certainly.

Mr. KELLOGG. Is it not a fact that all the terms and conditions under which the railroads are to be handled during the war are settled by the legislation before we take them, and all money advanced to the railroads can be secured by the President under the arrangement for loaning the money; and therefore, unless the American people see fit to change entirely the policy of control of the railroads after the war, in times of peace, there is no necessity for any legislation to turn back the roads to their owners?

Mr. WATSON. Mr. President, I would very largely agree with the Senator. In the main, his contention is justified by

the facts. There might be some legislation required, but I do not think it is essential that we should argue that proposition at this time.

Mr. KELLOGG. Mr. President—

The PRESIDING OFFICER. Does the Senator from Indiana further yield to the Senator from Minnesota?

Mr. WATSON. I do.

Mr. KELLOGG. I asked Mr. McAdoo if he could name any act of the Legislature that was necessary, and he was unable to do so; and nobody yet has named it.

Mr. ROBINSON. Mr. President, will the Senator from Indiana yield to me?

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from Arkansas?

Mr. WATSON. Certainly.

Mr. ROBINSON. Of course, Mr. President, it would be impossible now to determine what legislation will be necessary then; otherwise, the Congress could enact it now. Will the Senator from Indiana yield further?

Mr. WATSON. Certainly.

Mr. ROBINSON. The Senator from Indiana, in a previous portion of his remarks, has stated that in his opinion it will be necessary for Congress to pass some very important legislation to fix the status of the railroads in the future, when the period of Federal control is terminated. He has outlined in part a plan which is very far-reaching in its importance and consequences, and he has stated that the plan is not completely formulated in his own mind.

I think it is agreed, Mr. President, by most of the members of the Committee on Interstate Commerce, that legislation of very great importance touching this subject will be necessary; and that fact is emphasized by the fact that, so far as I am informed, no Senator has advocated the immediate return of the railroads to their owners at the conclusion of the war. So far as I know, every Senator has proposed that some period should elapse following the war before that should occur. Some have said six months, others a year, others a year and a half, and some two years. So far as I know, no Senator has claimed that in all probability conditions will be such that the properties should be returned to their owners immediately following the close of the war.

I thank the Senator from Indiana for yielding to me.

Mr. WATSON. Mr. President, of course if the roads are to be turned back to be operated as they have been hitherto, no legislation will be required; but if it be thought desirable to change the system so that there shall be some sort of governmental control in order to unify and nationalize the various transportation systems of the country, then, perforce, there must be something of legislation. It depends altogether upon the viewpoint of the person expressing the opinion. I have very great respect for the judgment of my friend from Minnesota [Mr. KELLOGG]. I know full well his views on this subject. He and I do not quite agree as to the future, and therefore there is something of disagreement between us as to the policy which will be necessary at the conclusion of the war, and yet our views are not essentially different.

But I must conclude, because the hour is growing late.

AMERICAN STABILITY.

Senators, at the beginning of this conflict I did not believe that a complete upsetting of our whole peace establishment would be necessary to enable us to do our part in this momentous conflict. I believed then that, acting as a republic, and not as an autocracy, we could utilize all our forces and mobilize all our resources, and then, in solid phalanx, in unbroken array, we could move onward, right onward, to the accomplishment of our mighty task.

But, sir, events have decreed otherwise, and circumstances have compelled the abandonment of that policy. But, now that we have chosen a different course, in order to properly array ourselves for this conflict, let us resolve that it shall be made known to the world that we have enacted all the unusual legislation passed by Congress since we were dragged into this conflict wholly for the purposes of war; that we have not, by the enactment of these laws, abandoned to the slightest degree any of the fundamental principles of our Government; but that by this course we are only seeking to emphasize those principles among our own people and to give to the other nations of the earth the shining example of a democracy in action, of a republic at war for the preservation of the sacred ideals of the Union.

And to that end let us firmly resolve that, with the proclamation of peace, the President shall surrender all the vast powers willingly conferred upon him by an aroused people, because of the exigent necessities of war; that this Nation shall return to the kind of Republic founded by the revered fathers of the Union; and that we shall reestablish, upon foundations too

secure ever to be threatened, the three independent and coordinate branches of government, and thus best give to the world the example of a republic whose people can defend it in the time of war, and whose citizenship can govern it in the days of peace.

Mr. LODGE. Mr. President—

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from Massachusetts?

Mr. WATSON. I do.

Mr. LODGE. The Senator described very forcefully—and his whole speech was one of great power—the congestion at New York and Boston. I think those were the two ports he named.

Mr. WATSON. Yes.

Mr. LODGE. I have been engaged, with others, in investigating the coal situation; and in that connection I should like to ask the Senator whether he thinks the congestion at those two great ports has been materially relieved by closing factories in Maine and sawmills in Louisiana? [Laughter.]

Mr. WATSON. Mr. President, I think the question answers itself.

Mr. STONE. Mr. President, I offer an amendment to the pending bill, and ask to have it printed and lie on the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SMITH of South Carolina. Mr. President, I have seen those who are interested, so far as speaking on the bill is concerned, and I should like now to have some definite time fixed at which we may get a vote on the bill. Before I ask for a unanimous-consent agreement, I want to read a communication sent me by Mr. McAdoo. He says:

May I take the liberty of expressing the hope that the Senate may soon be able to take action upon the pending railroad bill?

I can not overemphasize the urgent necessity for prompt action in this matter. This is the time of the year when the railroads should be placing orders for essential equipment and making preparation for those improvements in their facilities which will enable them to meet the great and urgent demands for transportation for which they now not only have insufficient motive power and equipment but in many cases inadequate facilities. It is a great task to do the required work in time to get the benefits this year. It is my earnest conviction that every day's delay in setting this work forward is imperiling the success of the war, limiting the industrial efficiency and jeopardizing the general prosperity and welfare of the country. We can not go forward with many matters of vital moment until the pending railroad bill becomes a law.

Mr. President, I now ask unanimous consent that not later than 5 o'clock on the calendar day of Thursday, February 21, the Senate will proceed to vote without further debate upon any amendment that may be pending, any amendments that may be offered, and upon the bill through its regular parliamentary stages to its final disposition, and that after the hour of 3 o'clock on the calendar day of Thursday, February 21, no Senator shall speak more than 10 minutes on any amendment or on the bill itself.

Mr. NORRIS. Mr. President—

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Nebraska?

Mr. SMITH of South Carolina. I yield.

Mr. NORRIS. Does not the Senator believe he ought to make that request to-morrow? It will be difficult, perhaps, to get the necessary quorum at this hour. We will have to have a call of the roll.

Mr. SMITH of South Carolina. I am aware of that fact; but I think we will serve a good purpose by securing the agreement this afternoon. I am sure there will be a quorum, because there are numbers of Senators here now, and I am sure they are perfectly willing to consent to the time limit I have proposed, because I have canvassed as carefully as I may the Senators present in order not to shut off anyone who desires to discuss the bill. That gives us three whole days, and all the Senators that I have seen are perfectly willing to have that time fixed.

Mr. NORRIS. Mr. President, I should like to suggest another thing to the Senator. I think he ought to provide in his request that commencing at some time—I am not particular when; I would not care if it commenced to-morrow—the speeches shall be limited to a certain time, say 10 minutes, and that that shall run on for a day or so. In that way the debate will wear itself out. We have always found a great many objectionable features when we had a time fixed for voting on everything. Unnecessary time is devoted to the consideration of some amendment, and amendments will be proposed at the last hour, and nobody will have an opportunity even to explain them.

Mr. SMITH of South Carolina. Mr. President, for that very reason I did not think it wise to put any restriction on the debate until an hour or two before we begin to vote on the bill with a view to its final passage, because amendments will be

offered, the proponents of which will want to explain them at more length than 10 minutes would permit. Having had now several days of debate on the three essential features of the bill, I hope the Senator will let us have this unanimous-consent agreement; and then, if on Tuesday or Wednesday it should transpire that it would be to the best interests of expedition to limit the debate, by that time, during those two days, we certainly will know what amendments are to be offered, and we then can take further action with a view to limiting the debate. But I do not want at this time to limit the debate. The Senator himself has indicated his desire to make some remarks on the bill.

Mr. NORRIS. I am ready to make them now. I shall be glad to make them this afternoon, Mr. President. If, however, the Senator goes ahead with his request for unanimous consent, of course that means that nothing more will be done to-day, even if we finally secure the agreement.

Mr. SMITH of South Carolina. I am not so sure about that.

Mr. CUMMINS. Mr. President—

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Iowa?

Mr. SMITH of South Carolina. I yield.

Mr. CUMMINS. I do not intend to object to voting on the bill at 5 o'clock on Thursday; but that agreement ought to be accompanied with a provision or an understanding that the bill will be kept before the Senate all the time between now and then and that votes upon amendments may be taken at any time when no one desires to discuss them further. I am entirely unwilling to go up to 5 o'clock Thursday afternoon, and then, without any debate or a word, vote upon all the amendments which may be on the table. I have observed that that is the very best course in the world to bring about utter confusion.

There are certain amendments that are to be offered to the bill. They have been printed—some of them, at least—and I should like to have an understanding with the chairman that we shall go right along this afternoon as long as he pleases and all day to-morrow, and that when an amendment is offered to the bill and debate is no longer desired upon it then we shall have a vote upon that amendment, and that we shall not wait until Thursday afternoon to have it.

Mr. SMITH of South Carolina. That is perfectly agreeable to the chairman of the committee, and I hope it will be to the Senate, because I hope that to-morrow afternoon we can begin to take up whatever amendments may be offered, consider them on their merits, and vote on them before we begin to consider any other amendment. If we could put that in the form of an agreement, I should be glad to do so; but I hardly think it could be done.

Mr. CUMMINS. I am perfectly willing to trust the chairman of the committee to carry out that policy if he understands that that is the course to be pursued and if the Senate has notice of it. They must know that there are likely to be votes upon important amendments to the bill at any time between now and 5 o'clock Thursday.

Mr. SMITH of South Carolina. Let that be understood now. Let Senators be notified that the chairman of the committee will use all of his power to put that course into operation.

Mr. ROBINSON. The right ought to be reserved to lay the bill aside temporarily, by unanimous consent, in the case of some emergent matter. I suppose the Senator from Iowa would not object to that.

Mr. CUMMINS. Oh, I do not want to tie it up so that it could not be laid aside on any account.

Mr. SMITH of South Carolina. But I should like to say, Mr. President, that it is the intention of the chairman of the committee to keep this bill constantly before the Senate until the time of its final disposition. I want to have the Senate recess from time to time, so that no other business will intervene except such matters, as those stated by the Senator from Arkansas, that may be of such necessity that we would have to temporarily lay aside this measure to dispose of them.

Now, Mr. President, I renew my request for unanimous consent, with the understanding that the amendments shall be voted on in their order as they come up, and that not later than 5 o'clock on Thursday afternoon we shall proceed to vote on the bill and the amendments to the final disposition of the bill.

Mr. TOWNSEND. Mr. President—

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Michigan?

Mr. SMITH of South Carolina. I do.

Mr. TOWNSEND. I dislike very much to take the position of opposition to anything that may be asked by the chairman of the committee of which I am a member. I feel, however,

that it is a mistake for him to call up this matter this evening. The Senator from Nebraska [Mr. NORRIS] is ready to speak to-night. He wants to go on and finish. We are making headway. There are not very many more Senators who desire to speak. I can conceive of no good that can be accomplished by fixing the date at this time and I can conceive of some harm.

Now, I desire to speak on the bill. I have been trying to find an opportunity for several days; not that I care so much about the Record, but there are some things that I should like to speak about, and I should like to speak to the Senators. I know that I would have no one present—I may have no one anyway—if we should agree now to take this vote on Thursday. If that is done, not a single Senator who is not obliged to be here will come here to-morrow or the next day.

We are making rapid progress as we are going at present, and if the Senator will withhold that request until there seems to be some obstacle in the way of progressing rapidly I think better progress will be made. If, for instance, we are through and nobody wants to go on there will be no question about getting consent to that proposal.

Mr. SMITH of South Carolina. Mr. President, if the Senator will allow me, we have thoroughly tested out and demonstrated the fact that whether you fix a time limit or whether you do not fix a time limit, the Senate is not going to come in here and listen to these debates. It has not done so. It did not do so when my persuasive voice was lifted here to discuss the initial features of this bill. [Laughter.] There was hardly anybody here, and if they did not hear me they would not be apt to be persuaded—

Mr. STONE. Mr. President—

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Missouri?

Mr. SMITH of South Carolina. I do.

Mr. STONE. If the Senator from Michigan will permit me, if it is understood, in accordance with the agreement reached between the Senator from South Carolina and the Senator from Iowa, in colloquy, that any amendment may be called up at any moment to be voted upon, I ask the Senator from Michigan if he does not think that will have a tendency to keep Senators closer to their duty here on the floor of the Senate?

Mr. TOWNSEND. Mr. President, my experience with these unanimous-consent agreements has not been very satisfactory. If I thought it would expedite the consideration of this bill, I would yield; I would even yield the desire that I have to express my views on this subject; but I do not believe it would. I have seen nothing that indicates any desire or disposition to block the passage of this bill. Of course, there have been times when nobody was ready to go on, and we would adjourn or pass to something else; but if the Senator insists upon holding the bill before the Senate, I am sure we will come to a vote by Thursday afternoon. I do not believe there is any doubt about it.

Mr. SMITH of South Carolina. What is the objection to agreeing to it, then?

Mr. TOWNSEND. The objection I have stated before—that it serves notice on every Senator that he need not come. For instance, we are spending time at the present moment in discussing this matter. It is going to require a roll call, with the possibility that we may not get a quorum. Meanwhile, if this time limit had not been proposed, the Senator from Nebraska [Mr. NORRIS] would have made his speech this evening, and we would have made that much progress.

Mr. NORRIS. And you would have gotten rid of me.

Mr. TOWNSEND. And we would have gotten rid of the Senator from Nebraska. [Laughter.] Therefore I am going to ask the Senator to withhold that request at least until to-morrow.

Mr. SMITH of South Carolina. Mr. President, I want to suggest to the Senator that the agreement or understanding that seems to have been reached that any amendments that come up will be voted on when the discussion of them ceases will in all probability guarantee the presence of more Senators on the floor than just to let this debate go on without any idea when you are going to stop it. Senators have not been here, and they are not going to be here; but if it is understood that to-morrow and next day any amendments that may be offered will be disposed of, Senators will be here to see whether or not the amendments meet their approval. That is the understanding, and I shall attempt to hold the Senate in all respects to that understanding.

Now, it will take only a few minutes to call the roll, and it will take only a minute, then, to get unanimous consent; and then, if we have time this afternoon, and the Senator from Nebraska [Mr. NORRIS] desires to go on this evening, I am sure that he will have as good an audience as could be expected to-morrow morning, under the circumstances. So I hope the Senator will not object.

Mr. TOWNSEND. Very well; go ahead.

Mr. SMITH of South Carolina. Mr. President, I now renew the request for unanimous consent.

The PRESIDING OFFICER. The Senator from South Carolina has presented a request for unanimous consent. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Cummins	Kirby	Pittman	Stone
Curtis	Knox	Pomerene	Thomas
Fletcher	Lodge	Ransdell	Tillman
France	McKellar	Robinson	Townsend
Gallinger	Martin	Saulsbury	Underwood
Hale	New	Sheppard	Vardaman
Harding	Norris	Smith, Ga.	Wadsworth
Henderson	Nugent	Smith, Mich.	Watson
Jones, N. Mex.	Overman	Smith, S. C.	Wolcott
Kendrick	Page	Smoot	

The PRESIDING OFFICER. Thirty-nine Senators are present—not a quorum. The Secretary will call the roll of absentees.

The Secretary called the names of the absent Senators, and Mr. HOLLIS, Mr. JOHNSON of South Dakota, Mr. KELLOGG, Mr. OWEN, Mr. POINDEXTER, Mr. SIMMONS, Mr. STERLING, Mr. SUTHERLAND, and Mr. WILLIAMS answered to their names when called.

Mr. HOLLIS. I was requested to announce that the senior Senator from Oregon [Mr. CHAMBERLAIN] is absent on official business.

Mr. SHAFROTH, Mr. FRELINGHUYSEN, and Mr. GRONNA entered the Chamber and answered to their names.

Mr. GRONNA. I wish to announce that the Senator from Wisconsin [Mr. LA FOLLETTE] is absent due to illness in his family.

Mr. TOWNSEND. I announce the absence of the senior Senator from Washington [Mr. JONES]. He has been called to one of the departments on official business.

Mr. KENYON, Mr. PENROSE, Mr. McNARY, Mr. SWANSON, Mr. SHIELDS, and Mr. BECKHAM entered the Chamber and answered to their names.

Mr. BECKHAM. I desire to announce that my colleague [Mr. JAMES] is detained on account of illness.

Mr. SUTHERLAND. I wish to announce that my colleague [Mr. GOFF] is detained by illness.

The PRESIDING OFFICER. Fifty-seven Senators are present. There is a quorum. The Secretary will read the proposed unanimous-consent agreement.

The Secretary read as follows:

UNANIMOUS-CONSENT AGREEMENT.

It is agreed by unanimous consent that at not later than 5 o'clock p. m. on the calendar day of Thursday, February 21, 1918, the Senate will proceed to vote, without further debate, upon any amendment that may be pending, any amendment that may be offered, and upon the bill S. 3752, a bill to provide for the operation of transportation systems while under Federal control, for the just compensation of their owners, and for other purposes, through the regular parliamentary stages to its final disposition; and that after the hour of 3 o'clock p. m. on said calendar day no Senator shall speak more than once or longer than 10 minutes upon the bill or more than once or longer than 5 minutes upon any amendment offered thereto.

The PRESIDING OFFICER. Is there objection to the agreement proposed by the Senator from South Carolina?

Mr. SMITH of Georgia. Before consent is asked, I should like the Secretary to read again the latter part of the proposal.

The PRESIDING OFFICER. The Secretary will read the unanimous-consent agreement.

The Secretary again read the proposed agreement.

Mr. SMITH of Georgia. I wish to ask the Senator from South Carolina if he will not consent to a modification—

Mr. SMITH of South Carolina. Let me say—

Mr. SMITH of Georgia. One moment; let me finish my suggestion. I ask the Senator if he will not consent to a modification which will permit at least five minutes' debate upon any amendment that may be offered at any time? We have often under such an agreement had amendments offered where all discussion was cut off, so that it has been embarrassing to Senators to vote upon them. I do not intend to object. I do not intend to obstruct the passage of this very important measure.

Mr. SMITH of South Carolina. The Senator was not present when it was asked by the Senator from Iowa [Mr. CUMMINS] that beginning to-morrow and going on until we reach a vote a Senator shall call attention to an amendment offered, and it shall then be discussed and disposed of; that each amendment as it comes up shall be discussed and then disposed of on its merits, so as to meet the very difficulty the Senator from Georgia suggests.

Mr. SMITH of Georgia. But the provision of the consent agreement permits amendments to be offered as late as 5 o'clock on Thursday.

Mr. SMITH of South Carolina. They will not be of very much importance if they are withheld until that time.

Mr. SMITH of Georgia. I hope the Senator is right.

Mr. SMITH of South Carolina. I certainly am.

Mr. SMITH of Georgia. I think it is unwise to make one of these consent agreements that does not permit at least some discussion of an amendment after it is offered.

The PRESIDING OFFICER. Is there objection to the unanimous-consent agreement proposed by the Senator from South Carolina?

Mr. POINDEXTER. I understand the Senator from Georgia is not going to object.

Mr. SMITH of South Carolina. The Senator from Georgia is not going to object.

Mr. SMITH of Georgia. No; but I do urge the Senator from South Carolina to put in the agreement a provision to give an additional length of time—it would be very brief—and it would guarantee not to have amendments put to a vote upon which nothing could be said.

Mr. SMITH of South Carolina. How about beginning at 2 o'clock?

Mr. SMITH of Georgia. If we would begin on Thursday and limit debate all day Thursday, we would probably get through with the amendments.

Mr. SMITH of South Carolina. Would not from 2 o'clock until 5 o'clock give sufficient time? That would give three hours. I ask that the agreement be changed in that respect, unless there is objection.

The PRESIDING OFFICER. Without objection, the agreement will be so modified.

Mr. POINDEXTER. Mr. President, I desire to be heard. I am not at all objecting. I remember a few weeks ago, when we had the water-power bill before the Senate and had a unanimous-consent agreement shutting off all debate after a certain hour, a great many amendments suggested themselves to different Senators during the final consideration of the bill, but there was no opportunity presented to say one word in explanation of them. That is a very unsatisfactory condition of affairs in regard to any important bill. It is impossible for any very great delay to occur under a five-minute rule. If we limit the debate on each amendment to five minutes, we can dispose of the bill within a very reasonable time.

Mr. SMITH of South Carolina. That is what is being done. It is limited from 2 to 5 o'clock.

Mr. POINDEXTER. No; you propose to cut off all debate after 5 o'clock.

Mr. SMITH of South Carolina. It is now modified to read from 2 until 5.

Mr. POINDEXTER. Then you will have cut off any opportunity even to explain an amendment after 5 o'clock.

Mr. SMITH of South Carolina. The Senator from Iowa [Mr. CUMMINS] made the suggestion that from now on, whenever an amendment was offered, that that amendment should be considered and finally disposed of. It seems to me that that is a very good proposition. Of course, that would induce Senators to be present until the bill was disposed of. The Senator has observed that we have not had a very full house during the discussion of the bill.

Mr. POINDEXTER. Yes; I have wondered several times why the Senator did not ask for a vote on the bill during the time when we did not have any attendance for the consideration of the matter. It seemed to me the Senate was ready to vote at that time.

Mr. SMITH of South Carolina. No.

Mr. POINDEXTER. It would be much better to force the matter to a decision when the interest in it is lagging rather than to let the debate run for a number of days with the understanding that no action is going to be taken on it. It is rather an encouragement to Senators to absent themselves. We should not then fix a time and lay down an iron-bound rule and cut off every opportunity of expression in regard to a feature of the bill or any question which may suggest itself in regard to it.

Mr. SMITH of South Carolina. That we have not done in this case because we shall have Tuesday, Wednesday, and Thursday after all the debate we have had. There is ample time provided to offer amendments and speak to the amendments. Then from 2 o'clock until 5 o'clock on Thursday any other amendments that may suggest themselves to Senators can be discussed under the 10 and 5 minute rules.

Mr. POINDEXTER. What reason has the Senator for objecting to a five-minute speech upon an amendment?

Mr. SMITH of South Carolina. That is provided for in the unanimous-consent agreement.

Mr. POINDEXTER. I beg the Senator's pardon. After the hour of 5 o'clock there will be no opportunity to be heard.

Mr. SMITH of South Carolina. Then we are to vote. We have got to have some definite period at which to start to vote, and I thought three days was ample time for the discussion not only of the bill, which has been discussed at length, but also of any amendments that might suggest themselves. I know of but two or three Senators who want to speak on the bill at any length.

Mr. POINDEXTER. If the Senator will strike out the words "without further debate" and leave the limitation of five minutes, I shall not object.

Mr. SMITH of South Carolina. Then the debate would be absolutely interminable as now.

Mr. JONES of New Mexico. Mr. President, I have on a few occasions been embarrassed by the very condition suggested by the Senator from Georgia and the Senator from Washington and I had almost resolved that I would never consent to a unanimous-consent agreement for a final vote upon any measure in which I had any interest unless a Senator who offered an amendment should have at least five minutes in which to explain it. I think if this consent agreement was followed by a proviso that after 5 o'clock any Senator offering an amendment might have five minutes in which to explain its purport and that the chairman of the committee should have five minutes in which to reply it would obviate the difficulty which is in the minds of some Senators.

Mr. SMITH of South Carolina. If the Senator from New Mexico will allow me, the pending bill does not partake of the nature of most bills. The difficulty to which he refers does not arise on this bill. The principles are comparatively simple so far as this legislation is concerned. We have three days in which amendments may be offered, discussed, and disposed of. Then, on the last day, from 2 o'clock until 5 o'clock, the opportunity is given of offering amendments and speaking 10 minutes on the bill and 5 minutes upon any amendment.

Mr. JONES of New Mexico. I think the Senator will recall, however, that under a similar agreement the time was occupied upon one or two amendments and finally other amendments were offered and there was absolutely no opportunity to explain them. It seems to me that a Senator should have a right to offer an amendment at any time he wants and that he should have an opportunity to explain for at least five minutes what his amendment means.

The PRESIDING OFFICER. Is there objection to the proposed unanimous-consent agreement?

Mr. POINDEXTER. I object.

Mr. SMITH of South Carolina. I have modified the agreement and I think it will meet the objection raised.

The PRESIDING OFFICER. Does the Senator from Washington withdraw his objection?

Mr. POINDEXTER. I object to the proposal as it now stands. I will hear what the new proposal is.

Mr. SMITH of South Carolina. I have modified the agreement so that it will read:

through the regular parliamentary stages to its final disposition on said calendar day. No Senator shall speak more than once or longer than five minutes upon the bill or any amendment offered thereto.

Mr. POINDEXTER. Let me say—

Mr. SMITH of South Carolina. That is the calendar day. We can stay until midnight and a Senator will have five minutes to speak upon every amendment.

The PRESIDING OFFICER. Is there objection to the proposed unanimous-consent agreement?

Mr. POINDEXTER. I should like to say to the Senator that I do not object to a speedy disposition of the bill and in regard to this particular proposal I have no objection if you limit the debate to five minutes to each Senator upon the bill and upon each amendment to the bill from to-morrow; but I do object to fixing a time for a final vote on the bill without an opportunity up to the time the final vote is taken to explain an amendment within a limitation of five minutes' time.

Mr. SMITH of South Carolina. Does not the Senator think this does that?

Mr. POINDEXTER. No; it does not. It fixes a time when all debate shall be cut off—that is, at the end of the calendar day. I object to it.

The PRESIDING OFFICER. Objection is made.

Mr. POINDEXTER. If the Senator desires to propose a unanimous-consent agreement limiting, as I said before, all debate to five minutes on the bill and on each amendment to the bill I shall have no objection.

Mr. SMITH of South Carolina. But the proposition of the Senator is not to fix any time at all. I have heard those propositions before. It is no matter of concern to me except the exigencies that those who are in charge say is upon us to expedite this matter. Those of us who have been here for some length of time know the tendency of interminable debate. It

seems to me that it is nothing but reasonable that we shall take the calendar day of Thursday and let the debate run on and let those who offer amendments discuss them without limitation until Thursday, and then from 2 o'clock in the afternoon until 12 o'clock that night anyone who offers an amendment can have an opportunity to discuss it for five minutes. That is what I was attempting to meet. I just wanted a definite time at which we would know when we would dispose of the bill. There are three whole days in which any amendment can be offered and anyone can debate it, and then from 2 o'clock until midnight on Thursday any amendment may be discussed under the five-minute rule.

Mr. POINDEXTER. It is not necessary, Mr. President, in order to dispose of the bill to stay here until midnight of Thursday or of any other day. I do not think we have arrived at the stage of the consideration of this bill when it is necessary to stay here all night to dispose of it.

Mr. SMITH of South Carolina. I think not; I merely used that by way of illustration.

Mr. POINDEXTER. I think it could be disposed of much earlier than that, for it is now before the Senate; and when there is no one here on the floor insisting on speaking, the Senator can call for a vote on the bill or on any amendment that may be pending.

Mr. SMITH of South Carolina. If the Senator will allow me—

Mr. POINDEXTER. It could be readily disposed of by limiting the debate after a certain time—the time to be fixed to suit the chairman of the committee—to five minutes upon the bill and any amendment to it.

Mr. SMITH of South Carolina. As the Senator will remember, the proposed agreement says not later than the time indicated. There are a number of Senators here who think we will dispose of the bill before then. The agreement does not say that at that particular time the bill shall be voted on and disposed of, but "not later" than that time. I am of the opinion that we will get through with it without the five-minute limitation, if the Senator will allow the request for unanimous consent to be agreed to.

Mr. POINDEXTER. I object.

The PRESIDING OFFICER. Objection is made.

EXECUTIVE SESSION.

Mr. SMITH of South Carolina. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After 5 minutes spent in executive session the doors were reopened, and (at 5 o'clock and 25 minutes p. m.) the Senate adjourned until to-morrow, Tuesday, February 19, 1918, at 12 o'clock meridian.

CONFIRMATIONS.

Executive nominations confirmed by the Senate February 18, 1918.

CALIFORNIA DÉBRIS COMMISSION.

Col. Charles L. Potter, Corps of Engineers, to be a member of the California Débris Commission.

COAST AND GEODETIC SURVEY.

Leo C. Wilder to be junior hydrographic and geodetic engineer.

Aaron G. Katz to be aid.

CONSULAR SERVICE.

CONSULS OF CLASS 8.

John A. Embry.

Austin C. Brady.

NAVAL CUSTOMS OFFICER.

John B. Nash to be naval officer of customs in customs collections district No. 4.

RECEIVERS OF PUBLIC MONEYS.

Burre H. Lien to be receiver of public moneys at El Centro, Cal.

Joseph Allen to be receiver of public moneys at Visalia, Cal.

George Weaver to be receiver of public moneys at Durango, Colo.

John W. Cloyd to be receiver of public moneys at Sterling, Colo.

Juan N. Vigil to be receiver of public moneys at Santa Fe, N. Mex.

Ashley G. Dawley to be receiver of public moneys at Elko, Nev.

Alexander X. Campbell to be receiver of public moneys at Guthrie, Okla.

REGISTERS OF LAND OFFICES.

John E. Robbins to be register of the land office at Elko, Nev.
Robert R. Wilson to be register of the land office at Dodge City, Kans.

POSTMASTERS.

GEORGIA.

A. L. McArthur, Cordele.
Alice B. Bussey, Cuthbert.
Teresa G. Williams, Greenville.
George W. Dansby, Rockmart.
Marion Lucas, Savannah.
H. O. Crittenden, Shellman.
Annie P. Harper, Stillmore.
Vivian Humphreys, Stone Mountain.

HOUSE OF REPRESENTATIVES.

Monday, February 18, 1918.

The House met at 12 o'clock noon.

Rev. William Couden, of Washington, D. C., offered the following prayer:

Creator and Lord of sun, moon, and stars; assailed at times by the Psalmist's misgiving we cry. What are man and his transient affairs to Thee? Yet we know of Thy ever-creative imminence in the earth, for Thou art everywhere. And even the humblest of us is subject to the insistent claims of the moral law. And we have the sure testimony of thousands that Thou wilt keep him in perfect peace whose mind is stayed on Thee. Move our faith to Thee, O God, faith in Thy boundless care for us and our importance to Thee. And anchor us to right endeavor with that hope that maketh not ashamed.

In the solemn hush of night; in the broad light of day, with its manifold temptations; in all our sorrows, fears, and joys; and in our present view of a world brokenhearted, drenched in tears, crimson with blood, choked by smoke and hatred, let us glimpse often, we entreat Thee, the unfading glory of Thy majesty and know the changeless decrees of Thy throne and feel the heart-throbs of Thy tender but conquering love.

Let us not deny Thee by despair nor forsake Thee by our shame. But let us expect great things from God and attempt great things for God.

Through Him who yielded his place in heaven and emptied himself of all pride that we might be exalted; who became poor that we might be rich; who took upon Himself the likeness of sinful flesh that we might obtain the spirit; who died that we might have life everlasting. Amen.

The Journals of the proceedings of Saturday, February 16, 1918, and Sunday, February 17, 1918, were read and approved.

LEAVES OF ABSENCE.

By unanimous consent, leaves of absence were granted to—
Mr. BOOHER, indefinitely, on account of sickness in family.
Mr. BLACKMON, for four days, on account of official business for the Government.

Mr. TAGUE, for 10 days, on account of illness at home.

UNITED STATES BUREAU OF EFFICIENCY (H. DOC. NO. 901).

The SPEAKER laid before the House the following message from the President of the United States, which was read and, with the accompanying documents, was ordered printed and referred to the Committee on Appropriations:

To the Senate and House of Representatives:

As required by acts of Congress approved March 4, 1915, and February 28, 1916, I transmit herewith the report of the United States Bureau of Efficiency for the period from November 1, 1916, to October 31, 1917.

WOODROW WILSON.

THE WHITE HOUSE, 16 February, 1918.

COMMITTEE ON PUBLIC BUILDINGS AND GROUNDS.

Mr. CLARK of Florida. Mr. Speaker, I ask unanimous consent that the Committee on Public Buildings and Grounds may be permitted to sit during the sessions of the House to consider the \$50,000,000 housing bill.

The SPEAKER. The gentleman from Florida, chairman of the Committee on Public Buildings and Grounds, asks unanimous consent that his committee may be permitted to sit during the sessions of the House to consider the \$50,000,000 housing proposition. Is there objection?

Mr. MADDEN. Mr. Speaker, reserving the right to object, is that the bill that was taken from the Committee on Labor?

Mr. CLARK of Florida. Yes. We are engaged in hearings now.

The SPEAKER. Is there objection?

There was no objection.

RAILROAD LEGISLATION.

Mr. SIMS. Mr. Speaker, I ask unanimous consent for two minutes in order to have read a letter from the Director General of Railroads, Mr. McAdoo.

The SPEAKER. The gentleman from Tennessee asks unanimous consent to have a letter from the Director General of Railroads McAdoo read. Is there objection?

There was no objection.

The Clerk read as follows:

WASHINGTON, February 16, 1918.

MY DEAR JUDGE SIMS: May I take the liberty of expressing the hope that the House may soon be able to take action upon the pending railroad bill?

I can not overemphasize the urgent necessity for prompt action in this matter. This is the time of the year when the railroads should be placing orders for essential equipment and making preparation for those improvements in their facilities which will enable them to meet the great and urgent demands for transportation for which they now not only have insufficient motive power and equipment but, in many cases, inadequate facilities. It is a great task to do the required work in time to get the benefits this year. It is my earnest conviction that every day's delay in setting this work forward is imperiling the success of the war, limiting the industrial efficiency, and jeopardizing the general prosperity and welfare of the country. We can not go forward with many matters of vital moment until the pending railroad bill becomes a law.

With warm regard, I am,

Cordially, yours,

W. G. McAdoo.

Hon. T. W. SIMS,

Chairman, Committee on Interstate and Foreign Commerce, House of Representatives.

URGENT DEFICIENCY APPROPRIATION BILL.

Mr. SHERLEY. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 9867, the urgent deficiency appropriation bill.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the urgent deficiency appropriation bill, with Mr. GARNER in the chair.

The Clerk read as follows:

Not to exceed \$50,000 of the funds derived from the sale of timber from the Red Lake Indian Forest, Minn., under authority of the act of May 18, 1916 (39 Stats., p. 137), may be expended by the Secretary of the Interior in the logging, booming, towing, and manufacturing of timber from burned-over areas at the Red Lake Agency sawmill and in the reimbursement from the said timber receipts of the amounts expended from other Indian tribal funds in the prosecution of such work.

Mr. CAMPBELL of Kansas. Mr. Chairman, I reserve a point of order on the paragraph just read.

Mr. SHERLEY. All right.

Mr. CAMPBELL of Kansas. I do so for the purpose of inquiring the necessity of including this in a deficiency appropriation bill. It is clearly legislation authorizing the Secretary of the Interior to rotate a fund, contrary to the policy of the Indian Bureau and of the Committee on Indian Affairs for years. We have never permitted the Indian Office to rotate funds of this character.

Mr. SHERLEY. It was not done to make a rotation fund. The reason for it is simply to enable them to cut some timber that has been burnt over, and that will be lost if it is not marketed within a reasonable time. The statement was made that under existing law they did not have any authority to cut this timber, and there did not seem to be any reason why the burnt timber should not be cut and marketed, therefore the committee made the authorization.

Mr. CAMPBELL of Kansas. I make the point of order.

Mr. SHERLEY. On what ground does the gentleman make the point of order?

Mr. CAMPBELL of Kansas. On the ground that it is legislation.

Mr. SHERLEY. If the Chair please, it is work that is already under way. They have been cutting some of this timber.

Mr. CAMPBELL of Kansas. Oh, no; the Indian Office has never had any authority, and the Secretary of the Interior has never had any authority to rotate funds as proposed in this bill.

Mr. SHERLEY. This does not make a rotating fund. That is not the effect of the language. There has been authority given and timber has been cut. If the Chair will indulge me a moment I will find the statute and read it.

Mr. CAMPBELL of Kansas. Oh, yes; the Secretary has been authorized to cut timber, but the money has been converted into the Treasury and appropriated in the regular way. I have no objection to permitting them to go ahead and cut this timber

and put the money into the Treasury, and provide for its appropriation in the usual way, but I shall make a point of order against the legislation proposed.

Mr. SHERLEY. I do not know what the gentleman means by "the usual way." This is the usual way, and is simply extending the operations to this burnt-over area.

Mr. CAMPBELL of Kansas. No; he is permitted to use the fund arising from the sale of this timber.

Mr. SHERLEY. Of course, to cut more of it. And why should he not?

Mr. CAMPBELL of Kansas. Because we have never permitted that sort of thing to be done.

Mr. SHERLEY. Why should it not be done? Can the gentleman state any reason why, at a time when the Treasury is being burdened, we should further burden it by a direct \$50,000 appropriation?

Mr. CAMPBELL of Kansas. It happens to be a very large subject, and it is an unwise policy to permit any department of the Government to do this.

Mr. SHERLEY. I would rather have the reason than the conclusion of the gentleman. What is the reason it is unwise?

Mr. CAMPBELL of Kansas. It is unwise because it permits a department of the Government to cut timber and sell it and get the money for it, and use this money as it may see fit, using it as a rotating fund, under the discretion of employees. It is a dangerous policy.

Mr. STAFFORD. Mr. Chairman, will the gentleman yield?

Mr. CAMPBELL of Kansas. Yes.

Mr. STAFFORD. Do I understand that the gentleman's objection is only to the last three lines of the paragraph? The gentleman, I take it, has no objection to allowing \$50,000 of funds derived from the sale of timber to be used for this purpose? It is only to the last three lines, I believe, that the gentleman is raising his objection. The lines that I refer to are the following:

And in the reimbursement from the said timber receipts of the amounts expended from other Indian tribal funds in the prosecution of such work.

If those lines were eliminated, would the gentleman have any objection to the remainder?

Mr. CAMPBELL of Kansas. That would leave it less objectionable.

Mr. STAFFORD. As I understand, the gentleman's objection would then be removed, because they would be limited to a fund of \$50,000 derived from the sale of timber, for this purpose, instead of taking the \$50,000 out of the General Treasury. This would take the \$50,000 from funds that would be derived from the sale of timber on this reservation. I should think that would be satisfactory.

Mr. SHERLEY. If the Chair please, I am prepared to discuss the point of order. In the Indian appropriation bill for 1916 the Secretary is expressly authorized to obtain sawmills and cut lands, and use the interest on the funds derived from the sale of the timber, and this language occurs:

After the payment of all expenses connected with the administration of these lands—

And that includes the lands involved here—

as herein provided, the net proceeds therefrom shall be covered into the Treasury of the United States to the credit of the Red Lake Indians and draw interest at the rate of 4 per cent per annum. The interest on this fund may be used by the Secretary of the Interior in such manner as he shall consider most advantageous and beneficial to the Red Lake Indians. Expenditure from the principal shall be made only after the approval by Congress of estimates submitted by the said Secretary.

Now, an estimate has been submitted by the Secretary. It is regularly before Congress, has been regularly presented to the committee, and by the committee to the House, and it is up to the House to determine whether it wants to make the appropriation or not. The point of order clearly does not lie. I will send the statute to the Chair.

The CHAIRMAN. Will the gentleman from Kentucky answer this question—

Mr. SHERLEY. Certainly.

The CHAIRMAN. As the Chair caught the reading of the statute it provided that the interest should be used as a revolving fund.

Mr. SHERLEY. Yes.

Mr. CAMPBELL of Kansas. I beg pardon, but—

The CHAIRMAN. Just a moment.

Mr. CAMPBELL of Kansas. I aided in the preparation of that statute, and I do not think it bears the construction placed upon it by the gentleman from Kentucky.

Mr. SHERLEY. Of course the statute speaks for itself, as all statutes do.

The CHAIRMAN. If the Chair may be permitted to ask the gentleman from Kentucky a question—

Mr. SHERLEY. Certainly.

The CHAIRMAN. Is it the position of the gentleman from Kentucky that the interest authorized by this statute can be utilized by the Secretary of the Interior as he may deem proper?

Mr. SHERLEY. It is so stated in express terms.

The CHAIRMAN. Is there any evidence that the \$50,000 proposed to be appropriated here is a part of the interest?

Mr. SHERLEY. No; but if the Chair will permit, the very next line says that the principal can be used upon estimates submitted by the Secretary and upon appropriation by Congress, and that is just what we are doing.

The CHAIRMAN. Was there an estimate submitted for this?

Mr. SHERLEY. There was an estimate submitted in due course.

Mr. CAMPBELL of Kansas. That does not come within the spirit of the law. The money derived from the sale of this timber is placed in the Treasury as other funds are placed in the Treasury, and appropriated in the same manner as other funds. If it were appropriated out of the funds placed in the Treasury as the result of the sale of these lands they would not need to refer to it at all.

The CHAIRMAN. The Chair would like to call the attention of the gentleman from Kansas to this language.

After the payment of all expenses connected with the administration of these lands as herein provided, the net proceeds therefrom shall be covered into the Treasury of the United States to the credit of the Red Lake Indians.

That does not have to be appropriated by Congress, and then it says:

Expenditure from the principal shall be made only after the approval by Congress of estimates submitted by the said Secretary.

This seems to come within that provision, Congress having reserved to itself the right to state how the principal shall be used.

Mr. CAMPBELL of Kansas. The intention is to place the money in the Treasury and have it appropriated in the regular way, and it is not necessary to refer to it, as in the first part of this paragraph, as money derived from the sale of this timber. It is in the Treasury to the credit of the Indians and may be appropriated on estimates from the Secretary of the Treasury.

The CHAIRMAN. The gentleman concedes that estimates have been sent in for this item?

Mr. CAMPBELL of Kansas. I assume that they have been.

Mr. SHERLEY. There is no doubt about that.

The CHAIRMAN. The point of order is overruled.

The Clerk read as follows:

For the examination and classification of lands requisite to the determination of their suitability for enlarged homesteads, stock-raising homesteads, public watering places, and stock driveways, as required by the public-land laws, \$150,000.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word. I understand the appropriation of \$150,000 for the examining and classification of lands requisite to the determination of their suitability for enlarged homesteads is not limited to the Territory of Alaska?

Mr. SHERLEY. No; it has no relation to Alaska at all. It relates to lands in a homestead act which we passed which requires their classification before they shall be open to homesteaders. There are several hundred thousand now waiting to go on these lands, and there has been a very insistent demand that the work should go forward.

Mr. STAFFORD. I withdraw the pro forma amendment.

The Clerk read as follows:

For temporary and auxiliary clerk hire and for substitute clerk hire for clerks and employees absent with pay at first and second class post offices and temporary and auxiliary clerk hire at summer and winter resort post offices, \$1,800,000.

Mr. GILLET. Mr. Chairman, many statements have been made in this House about the trouble with the mails going to our soldiers in France. This morning it happens that I received three letters much in the line of others which I have received. One was a little different, because it refers particularly to Christmas boxes. It said that in November the War Department issued a circular stating that any box weighing not over 20 pounds marked "Christmas box" and addressed to a soldier in France and sent so it would be received in New York on or before December 5 would be delivered free of charge on Christmas morning in France. He says that he sent two boxes—one on November 27 and one on November 29—so they had plenty of time to reach New York before December 5, and that they did reach there, and yet 10 days ago he learned from a friend who had received a letter from his son, written on Christmas day, that he had received no box from home, though he had received several parcel-post packages from other

people. Neither of the boxes, which were of considerable value, arrived at all. He said that the value of the boxes was considerable, but the main cause of regret is the disappointment of the boy in France.

I have also received a letter from a lady, who says:

I am writing this letter to call your attention to the mail service to the boys in France. My brother left Massachusetts in September and writes me a letter, dated November 23, that he has received only one letter from the good old U. S. A. I have written 15 letters, and his mother has sent him still more. We sent him three packages, none of which he has received. He writes that he is very lonesome (he is only a boy) and very much worried because he does not hear from home.

In the same mail I received another letter of the same purport. It says:

My son has been in France since the first part of December, and from that time to this we have sent him a Christmas box, mailed letters, two or three a week, sent newspapers once or twice a week, magazines, knitted articles—such as helmets, scarfs, sweaters—cigarettes, candy, fountain pen, and things too numerous to mention. I received a letter from him yesterday, dated January 27, and up to that time from the last part of December he had not received any of the many things sent.

I state these things in corroboration of the many statements which have been made in the hope that the Post Office Department will increase its efforts to remedy these shameful miscarriages.

The Clerk read as follows:

The proceeds heretofore or hereafter received from the disposition of nitrate of soda under the appropriation of \$10,000,000 contained in section 27 of the act approved August 10, 1917, shall be credited to the said appropriation of \$10,000,000 and be available for the purposes authorized in the said action during the period of the existing war as defined by section 24 of the said act.

Mr. GREEN of Iowa. Mr. Chairman, I reserve a point of order, to ask the chairman what special reason there is for inserting this here.

Mr. SHERLEY. The reason was that it came to the attention of the committee that the Agricultural Department had obtained a certain amount of nitrates which had been disposed of; that there was a demand for very much more than that. And while the Agricultural Department was not certain whether it would be able to get additional ships or not, if it could get the ships it was desirable to have this money available for the procurement of the additional nitrates for agricultural purposes. It further appeared that an amendment to this effect was placed on the Agricultural bill in the Senate; that the matter was agreeable to the Agricultural Committee of the House, and it was put up in here rather than in the Agricultural bill to make it available earlier should the contingencies arise which might make it necessary.

Mr. GREEN of Iowa. That was the very point I was coming to. It seemed to me this was a matter that ought to come within the jurisdiction of the Committee on Agriculture.

Mr. SHERLEY. We would not have touched it except with the understanding that it was acceptable to the chairman and, as I said, to the committee, and that a similar provision was pending to the Agricultural bill in the Senate.

Mr. GREEN of Iowa. Well, it seems to me—

Mr. SHERLEY. The gentleman from South Carolina [Mr. BYRNES] was the mover in the matter and I think could give the gentleman even fuller information than I can, but that is my understanding, I will say to the gentleman.

Mr. GREEN of Iowa. Well, Mr. Chairman, I do not think this provision ought to be contained in the bill. My understanding is that the Agricultural Committee will shortly come in with another bill—

Mr. SHERLEY. I suggest the gentleman let the matter be passed for the present.

Mr. GREEN of Iowa. I would ask then unanimous consent that this matter may be passed for the present—

Mr. SHERLEY. With the point of order pending?

Mr. GREEN of Iowa. With the point of order pending.

The CHAIRMAN. The gentleman from Iowa asks unanimous consent that this item be passed temporarily with the point of order pending. Is there objection? [After a pause.] The Chair hears none.

The Clerk read as follows:

For additional for procuring, storing, and furnishing seeds as authorized by section 3 of the act entitled "An act to provide further for the national security and defense by stimulating agriculture and facilitating the distribution of agricultural products," approved August 10, 1917, including not to exceed \$5,000 for rent and personal services in the District of Columbia, \$4,000,000, which may be used as a revolving fund until June 30, 1918.

Mr. NORTON. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 76, line 3, after the figures "\$4,000,000," insert:

"Provided, That the Secretary of Agriculture may sell the said seed to farmers on security approved by the Secretary and under rules and regulations prescribed by him."

Mr. SHERLEY. Mr. Chairman, I reserve a point of order on the amendment.

Mr. NORTON. Mr. Chairman, there has been a great deal of discussion throughout the country during the past two months in regard to Congress making an appropriation for encouraging the sowing of the largest possible acreage of grain crops next spring. In the hearings before the Committee on Agriculture held a few days ago, Food Administrator Mr. Herbert C. Hoover stated that in his judgment it was advisable for the Government at this time to do everything possible to encourage the sowing of the greatest possible acreage of spring wheat next spring. He stated at the hearing that it was quite evident that there was going to be a shortage of wheat in the country this year, and as all winter wheat had already been the only thing that could be done now to increase the acreage of wheat would be to encourage the sowing of a greater acreage of spring wheat. There are a number of districts in the country where there was a crop failure of spring wheat last year that can be greatly helped out if the Secretary of Agriculture is given by Congress the right to sell seed wheat on time to farmers who will put it in and increase the crop of spring wheat. My amendment provides that this wheat can be sold on time, on security approved by the Secretary of Agriculture, and under rules and regulations prescribed by him.

Mr. FLOOD. Will the gentleman yield for a question?

Mr. NORTON. I will.

Mr. FLOOD. What is the suggestion of the gentleman as to where this wheat will be stored and sold?

Mr. NORTON. It should be stored in and sold from the local elevators in the communities where it is to be sown. I will say, as far as the needs of my State are concerned I believe they have been already largely taken care of. Recently the Legislative Assembly of North Dakota met in special session and amended and extended the provisions of the county seed-bonding law of the State. Under the provisions of this amended county seed-bonding law the need for seed in my State can be pretty well taken care of. There is, however, need in many parts of the country for the legislation which my amendment proposes. Its adoption would largely increase the acreage of spring wheat to be sown next spring in Montana, Wyoming, and North and South Dakota.

Mr. FLOOD. Now, is the proposition to have the Government buy this wheat and send it to each county in those States and have from here a distribution of seeds?

Mr. NORTON. The purpose of my amendment is this, to permit the Secretary of Agriculture, where seed can not be obtained in any other way by farmers who are prepared to sow the seed properly to sell seed to them on time and under rules and regulations prescribed by him to safeguard the Government. I have talked the matter over with the Secretary, and I am certain that in the administration of the provision proposed by my amendment he will be very conservative. He would, I am sure, only authorize the sale of these seeds on time when and where the carrying out of this policy would greatly encourage

sowing a greater crop acreage next spring and where the sowing of this increased acreage would be likely to benefit the whole Nation through a large addition to our total food supply at the next harvest.

Mr. GOOD. Will the gentleman yield?

Mr. NORTON. I will.

Mr. GOOD. Now, in exercising that privilege he will, of course, grant credit only to the farmer who could not get credit locally?

Mr. NORTON. Certainly.

Mr. GOOD. Then he is granting credit to people who are not entitled to credit from a financial point of view, and as a result the Government would have in a short time bills against every bankrupt farmer who wanted to buy wheat?

Mr. NORTON. Oh, I do not think that is so. I will say this to the gentleman: I think the need for an increased supply of foodstuffs is so great in this country at the present time that the Government would be well justified in adopting the policy of advancing money on time to supply seed to be sown in agricultural districts of the country where, under ordinary circumstances, good crop yields will be returned much more than sufficient in value to pay all the expenses for the seed furnished and for the sowing, harvesting, and marketing of the crops.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GOOD. Mr. Chairman, I rise to oppose the amendment, and I would like to have a little time.

The CHAIRMAN. The question is on the point of order. Does the gentleman desire to be heard on the point of order, or does he desire to discuss the merits of the proposition? The Chair is ready to rule.

Mr. SHERLEY. I am willing to reserve the point of order.

Mr. GOOD. Mr. Chairman, I am opposed to the amendment of the gentleman from North Dakota. I am afraid that the committee has gone further in this respect in granting an appropriation of \$4,000,000 for the purchase of seed in this emergency than it ought to have gone. At any rate, it has appropriated ample. The proposition smacks a little too much of paternalism to suit me, and I represent an entirely agricultural community. I would do nothing to hamper this great industry. I have read with interest the extended hearings on this subject, and there is not a word with regard to a shortage of wheat seed; not a word with regard to the need of cotton seed; not a word with regard to the shortage of barley seed or flax seed; certainly not a word as to the need of peanuts; and the Secretary of Agriculture came before the committee and said that because of the cold season last year, especially in the Northwest and Middle West, there was a great amount of soft corn, in some localities the moisture being as high as 80 per cent, and in but a few was the moisture as low as 20 per cent. And the department has felt that the farmers in the corn belt were going to have trouble in buying suitable seed corn for the spring planting. We have here an estimate of the Secretary of Agriculture to purchase seed. His estimate is as follows:

Purchases of seed that are being made under the provisions of section 3 of Public No. 40, \$2,500,000.

Crop.	Estimated quantity to be purchased.	Estimated cost, including all overhead charges.	Purchases commenced.	Purchases must conclude.	Sales commenced or will commence.	Sales to date, Jan. 31, 1918.	Sales must conclude.	Estimated receipts from sales available for resale or purchase of seed, spring of 1918.
THE SOUTHWEST (TEXAS)								
Corn.....bushels..	25,000	\$75,000	Oct. 15, 1917	Mar. 1, 1918	Jan. 15, 1918	\$5,372.53	May 1, 1918	\$15,000
Cotton.....do.....	162,150	290,000	Jan. 15, 1918	do.....	Feb. 15, 1918	(1)	do.....	15,000
Sorghum seed, kafir, milo, etc.....pounds..	100,000	310,000	Jan. 7, 1918	Apr. 1, 1918	Jan. 10, 1918	400.00	do.....	15,000
Peanuts.....bushels..	107,500	15,000	Jan. 15, 1918	do.....	Feb. 15, 1918	(1)	do.....	10,000
		890,000						55,000
NORTHWEST (MONTANA AND NORTH DAKOTA)								
Barley.....bushel....	194,000	333,500	Jan. 7, 1918	Apr. 1, 1918	Mar. 15, 1918	(1)	May 1, 1918	17,000
Flax.....do.....	60,000	219,000	Feb. 1, 1918	do.....	do.....	(1)	do.....	10,500
Oats.....do.....	250,500	250,500	Jan. 7, 1918	do.....	do.....	(1)	do.....	12,500
		803,000						40,000
NORTHERN PART OF CORN BELT								
Corn.....bushels..	175,000	610,000	Feb. 1, 1918	Apr. 1, 1918	Mar. 1, 1918	(1)	May 1, 1918	30,500
SOUTHERN PART OF GREAT PLAINS								
Sorghum (including kafir, orghum, and sweet sorghums).....pound....	7,000,000	200,000	Feb. 15, 1918	Apr. 1, 1918	Mar. 15, 1918	(1)	May 1, 1918	13,000

*None.

Now, the Department of Agriculture proposes to spend the sum of \$4,000,000, as follows:

Plan of expenditures under the proposed emergency item of \$6,000,000 for the purchase and sale of seeds.

Crop.	Estimated quantity to be purchased.	Estimated cost, including all overhead charges.	Purchases to commence—	Purchases must conclude—	Sales commenced or will commence—	Sales date.	Sales must conclude—	Estimated receipts from sales available for purchase of seed, spring of 1918
FOR THE SOUTHWEST, INCLUDING TEXAS AND NEW MEXICO.								
Sorghums.....pounds.	5,000,000	500,000	Feb. 15, 1918	Apr. 1, 1918	Mar. 1, 1918		May 1, 1918	\$25,000
Cotton.....bushels.	270,000	500,000	do.	do.	do.		do.	25,000
Peanuts.....do.	125,000	250,000	do.	do.	do.		do.	12,500
Total.....		1,250,000						62,500
FOR THE NORTHWEST.								
Oats.....bushels.	750,000	750,000	Feb. 15, 1918	Apr. 1, 1918	Mar. 1, 1918		May 1, 1918	37,500
Barley.....do.	214,000	375,000	do.	do.	do.		do.	18,750
Flax.....do.	35,700	125,000	do.	do.	do.		do.	6,250
Total.....		1,250,000						62,500
FOR THE NORTHERN CORN BELT.								
Corn.....bushels.	50,000	1,500,000	Feb. 15, 1918	Apr. 1, 1918	Mar. 1, 1918		May 15, 1918	75,000
Soy bean.....do.	120,000	600,000	do.	do.	do.		do.	30,000
Navy beans.....do.	60,000	600,000	do.	do.	do.		do.	30,000
Total.....		2,700,000						135,000
FOR THE SOUTHERN PART OF THE GREAT PLAINS.								
Sorghum.....pounds.	8,000,000	800,000	Feb. 15, 1918	Apr. 1, 1918	Mar. 1, 1918		May 15, 1918	40,000
Grand total.....								290,000

Let us look at this estimate, \$750,000 with which to purchase seed oats. We never had a better oat crop than we had last year throughout the length and breadth of the United States, and every bushel is suitable for seed. And yet at a time when oats were selling around 60 cents a bushel it is proposed to buy them for a dollar a bushel and sell them to the farmer at a dollar a bushel when the farmers can buy the seed oats for much less. There is something out of joint here.

What else did he propose to do? In time of war he intended to spend \$250,000 for the purchase of seed peanuts. Not a word in the hearings with regard to peanuts. Is there a scarcity of peanuts for seed? No one has said there was, so far as I can know. If there is, ought we not to have heard something about it? Why, then, should our Government loan \$250,000 to permit the Secretary of Agriculture to buy peanuts?

Now, I know nothing about the cotton situation, and yet the Secretary of Agriculture proposes to purchase \$200,000 worth of cotton seed. Is there a shortage? If so, to what extent does it exist? How far would \$200,000 worth of cotton seed go to relieve the situation in the South if there is a demand for cotton seed because of poor seed or of shortage?

Take it in my own section. It is proposed now, in the face of a great shortage, to purchase only 50,000 bushels of seed corn. That amount of seed corn is not enough to plant the corn in two of the counties of my district. I doubt if it is enough to purchase enough for one. And at the same time they propose to buy 125,000 bushels of soy beans, and anybody who knows anything about that part of the country knows that there is not one farmer in a hundred growing soy beans. Is this an attempt to deprive the corn farmer of seed corn and force soy beans on him instead?

Now, what is the situation? There appears to be a total lack of comprehensive knowledge with regard to these seeds, the needs of the country so far as the things in which there is a shortage are concerned. There was a good reason to do something for seed corn in the corn belt, because we had the poorest crop of corn so far as quality is concerned that we ever had, and business men and farmers and bankers look with some apprehension on the coming spring so far as having a quality of seed that can be relied on is concerned. Throughout Illinois and Indiana and Iowa and Missouri and Nebraska, in those corn States, what did these men do? The farmers organized through their local agents, and with the aid of the banks and business houses and manufacturers they took a census of the corn that was suitable for seed purposes. In my own State the governor required a comprehensive survey to be made, and those reports are coming in, and all the corn of last year that is suitable for seed corn is being located and conserved, and the corn of last year that matured so that it would make good seed corn is being set aside. The business man and the farmers and the bankers are doing that work. And this fund will go to but a very limited

extent to relieve that situation. What is true in Iowa I conclude to be true in the corn belt.

Mr. REAVIS. Will the gentleman yield?

Mr. GOOD. I yield to the gentleman.

Mr. REAVIS. Has not that survey disclosed that, generally speaking, the 1917 crop is unfit for seed corn in that locality?

Mr. GOOD. The survey, according to a dispatch that I saw from one county in my State, and it is a representative county, showed that there was about 2 to 5 bushels per school district of shortage, taking into consideration the corn that was raised last year that was suitable for seed. I think this estimate includes the corn of the 1916 crop that had been preserved and could be used for seed.

Mr. REAVIS. What I am trying to learn is this: Is practically all the seed corn suitable for your locality confined to the 1916 crop?

Mr. GOOD. I think a great deal of it is; but there is some good seed corn in the 1917 crop.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. GOOD. Mr. Chairman, I ask unanimous consent for two minutes more.

The CHAIRMAN. The gentleman from Iowa asks unanimous consent for two minutes more. Is there objection?

There was no objection.

Mr. NORTON. I take it the gentleman knows that at the present time the Food Administration is trying, by regulations which it is putting into force, to reduce the consumption of wheat during the coming six months in this country 30 per cent, and that this policy is being resorted to on account of the great needs of this country and our allies for wheat and wheat products. I take it the gentleman knows that, as far as it now can be seen, there is going to be a large shortage in the wheat crop of this year. Would the gentleman, then, be opposed to having the Secretary of Agriculture given the right to furnish seed wheat on time to farmers in districts where they could not otherwise secure seed, if on being so supplied with seed wheat they would plant it, care for it, and harvest it and add greatly to the Nation's total wheat supply for this year?

Mr. GOOD. No; if they could not otherwise get it; but there is no community in the whole United States that is so unpatriotic that would not respond and furnish the funds to purchase seed wheat to seed every acre of available land, and the gentleman knows it; and the gentleman knows that in his own State—

Mr. NORTON. If what the gentleman asserts is true, then if the authority proposed by my amendment is given the Secretary of Agriculture he would find no occasion to use it.

Mr. GOOD. I think there might be very good reason for some activity on the part of the Department of Agriculture, but I think we are going too far, and even with this reduced appropri-

tion, I think perhaps it is more than it ought to appropriate for the purchase of seeds whether there is a shortage or not. I am for the provision, but I think that we ought not to extend Government agencies in this direction; we should limit this authority. We are purchasing cotton seed and peanut seed and oats. At the time this estimate was made oats were selling for about 60 cents a bushel. Farmers could buy them for that sum. And it is here proposed to pay \$1 a bushel, and they will cost that amount plus costs of administration.

And I notice in the estimates for storage it is proposed to spend considerable for storage here in the District of Columbia. There is no need for storing a bushel of corn, or peanuts, or anything of that kind here in the District of Columbia. The need is in the localities where they raise these things, and therefore need the seed for the coming spring.

Mr. NORTON. I quite agree with the gentleman in that. Will the gentleman yield?

Mr. GOOD. I do not believe the Government ought to go into the business of extending credit to the farmers for these purposes, and I do not believe the farmers of the United States want it. Under all the circumstances not a dollar should be expended for peanuts, and not a dollar for other seeds, except where there is actual shortage in certain localities.

Mr. SLOAN. Mr. Chairman, the fact that the Government might stand to lose something in granting credit by furnishing seed for these people in the Northern States in order to increase the wheat raised is not conclusive to my mind. The Government has undertaken to encourage the farmers of the Northwest to produce food in large quantities, and the Government can not expect to go the whole way in the matter of encouragement unless it will take some risk itself.

Throughout the States of Iowa, Nebraska, Illinois, and other States people who feed cattle have responded to the appeal of the Government to place every possible pound of meat upon each brute for the purpose of having a large food production. They patriotically went into the markets last fall and bought feeders at from 10 to 12 cents a pound. Now, after they have fed them at large expense high-priced grain and hay, they are unable to get much, if anything, more than the price that they paid per pound. Everybody who ever fed a steer knows that means a large loss to every owner of every finished steer. On present market prices there is a loss of from \$10 to \$30 on every finished steer. In common with many of my neighbors, in obedience to the appeal of the Government for a maximum of meat production, I am finishing some at a loss; the lighter ones will probably pay out.

So if the Government of the United States is asking the farmers to increase their acreage of wheat, we know that the only opportunity now is to increase the spring-wheat area. If the Government is asking the farmers to increase their acreage, it should not be so finicky about the possibility of suffering a small loss.

I do not think the people in my State would profit much by the amendment suggested by the gentleman from North Dakota [Mr. Norton]. That is a newer State, confined largely to spring wheat, while our State is a dual wheat State—winter and spring. From statements I heard made by men living in North Dakota, as well as by Representatives here on the floor, it appears that there are large areas up there which will go unsown unless some substantial aid is given. The mere fact that the Government is running a little risk when it is asking that a great risk shall be run by the farmer who will furnish the land and the toil is to me not conclusive. The amendment of the gentleman from North Dakota should prevail.

Mr. MOORE of Pennsylvania. Mr. Chairman, I desire to oppose the amendment.

This paragraph proposes to give \$4,000,000 to the Secretary of Agriculture for the uses of a revolving fund in connection with the procuring, storing, and furnishing of seed, on the ground that it may be necessary as a war-emergency measure. This item may be all right at the present time, but it looks like an entering wedge for a larger distribution of seed concerning which a propaganda is sweeping over the Northwest and certain other sections of the country. I regret to make this comment in the absence of the gentleman from North Dakota [Mr. BAER], who seems to be the leading exponent of this new idea, and who has introduced a bill which has been widely commented upon throughout the country, particularly in the country press; but his bill appropriates \$50,000,000 for the purchase and distribution of seed, for which the Government is to take the promissory notes of such selected farmers as are fortunate enough to get the seed on these terms.

I think it well to call attention to the importance of the bill introduced by the gentleman from North Dakota [Mr. BAER]. It is a bold and radical departure from the existing order. Sec-

tion 4 of his bill, which has been widely commented upon in the country press, provides that the money therein appropriated shall be expended by the Secretary of Agriculture in the purchase of seed and grain in connection with the necessary expense incurred in carrying out the provisions of the act, and that the grain and seed shall be sold and distributed to the farmers and stockmen mentioned at a price not to exceed the cost to the Government, the purchaser to give a promissory note therefor, payable one year from date, to the Treasury of the United States, and bearing interest at 4 per cent per annum.

Now, this project is being widely discussed. It is proposed to reach into the Treasury of the United States in these times of war and take out \$50,000,000 to buy seed to be turned over to certain stockmen, farmers, and ranchmen in certain States on the strength of promissory notes.

Mr. SLOAN. Mr. Chairman, will the gentleman yield?

Mr. MOORE of Pennsylvania. There is no evidence that they are to have collateral property. Yes; I yield to the gentleman from Nebraska.

Mr. SLOAN. Is not the United States advancing now at least 30 per cent to certain manufacturing concerns to obtain supplies that they deem of importance to the winning of this war, and is there anything more important than the matter of production of food for the winning of this war?

Mr. MOORE of Pennsylvania. I have heard that the administration is sanctioning certain advances to manufacturers and munition makers and others for the purpose of producing munitions of war.

Mr. SLOAN. You have heard that?

Mr. MOORE of Pennsylvania. Yes; I have heard, I may say, almost the whole story in committee.

Mr. HELVERING. Mr. Chairman, will the gentleman yield?

Mr. MOORE of Pennsylvania. Yes.

Mr. HELVERING. That is by virtue of the law passed by the last Congress.

Mr. MOORE of Pennsylvania. I presume it is by virtue of law, war-emergency law, otherwise the administration would not have followed this method. But the method is subject to abuses even during the war.

I have little to say about the question of lending or advancing 30 per cent to munition manufacturers, except that in that case there is property upon which the Government may fall back to recoup its losses. I presume the administration is wise enough to protect itself in regard to advances thus made for the purpose of hastening war preparations. But I question whether we have that protection in connection with this \$50,000,000 seed proposition. We have there only the individual promise to pay. We have run wild in the matter of expense due to the war. We have advanced and loaned money to munition makers for the production of war material, and we have aided the farmers, but I doubt whether we have yet arrived at that stage of paternalism in the United States where we are prepared to use the tax money of the people to make advances to men who have only something in prospect to redeem their promises.

Mr. HOWARD. Mr. Chairman, it may take a great war to shake the reactionary and stand-pat proclivities of my good friend from Pennsylvania [Mr. Moore]. He is treating this proposition very lightly. I believe the most serious condition that confronts the United States in any of its present activities in preparation for this war is the crop of 1918.

I want to tell the gentleman something about the section of the country that produces a good deal of foodstuffs as well as practically all the cotton that goes to clothe the people of this country. These big northern contractors who have been sent down there to build these great Government works—and it looks now as if nobody could build anything in that country except one of these fellows from away off, and mighty few local contractors can do anything in that country—they come down there and they utterly disregard how they gather labor. They do not care if they take every hand off of a man's farm. They do not care how much they disrupt a man's business, just so they get the labor they want. Now, what is going to happen? In the first place, since December, 1916, up to the 31st day of December, 1917, 112,000 negroes left the State of Georgia alone. They were attracted by the high prices paid for labor in the great civic centers. The draft came along—very properly—and it has taken a great many of the boys off of the farms.

Mr. MOORE of Pennsylvania. Will the gentleman yield?

Mr. HOWARD. Yes.

Mr. MOORE of Pennsylvania. That is the difficulty in the factories. They have taken them out of the factories in a larger percentage and have disorganized them.

Mr. HOWARD. That is true; but here is a proposition to increase the supply of food, and I assume that Napoleon was right when he said that an army travels on its stomach. I am

trying to show you that this Government has got to do radical things to encourage the production of food for this year, and you can not wait until April or May to do it. You have got to do it now, and, in my judgment, you can not give the farmers of this country any too much encouragement to produce food. Some of you gentlemen were very anxious to fix a price on cotton that would not pay for the cost of planting. I will venture the prediction now that if they use every available man and every available mule in the South to put cotton seed into the ground there will not be 9,000,000 bales of cotton produced in the South in the year 1918.

Mr. KNUTSON. Will the gentleman yield for a question?

Mr. HOWARD. Yes.

Mr. KNUTSON. Does the gentleman think there is any more reason for fixing the price of wheat than there was for fixing the price of cotton?

Mr. HOWARD. Not any, if you fix a minimum. What was the use to fix a price on wheat if you did not fix the price of the manufactured product somewhere? What is the use of fixing a price on raw cotton if you turn your cotton mills loose to charge 40 or 50 cents a yard for cotton cloth? When we fix a price on cotton we are going to save the people of this country from paying exorbitant prices for the manufactured cotton, because we are going to fix a price on that, too, on a cost-plus basis. Mark that prediction.

Mr. KNUTSON. I will say to the gentleman that he had better ask the President why the consumers have not been looked after.

Mr. HOWARD. The consumers are being looked after; but the trouble about this whole war is, in some quarters—and it is pretty well distributed over the country—that there is a good deal of patriotism exhibited when there is a dollar of profit in it; and if you can fix some plan to stop the profiteers from operating right now during this war, and will present it to this Congress so that we can act on it, so as to stop it, the Washington Monument will not be as high as an ant hill by the side of the monument that the people of this country will erect to your memory. Now, you get busy and see what you can do. [Applause.]

Mr. KNUTSON. Well, I am not President.

Mr. HOWARD. Thank the Lord for that.

Mr. GILLETT. Mr. Chairman, I do not come from an agricultural district. At the same time I believe that next to the need of ships our greatest need, and the most disquieting situation to-day, is the production of food for this coming year. So I think everything we can do which is going to stimulate food production we ought to do. I heartily acquiesce in this proposition of the committee, and my only fear is, as the gentleman from Iowa indicated, that it is not large enough or rightly proportioned to accomplish the purpose intended. But as there is a revolving-fund proposition wrapped up in it, it may be that it will achieve more than I expect. From all I can learn, it seems to me that what is troubling the farmers and preventing their setting out for an enormous production of foodstuffs this year is not only the lack of seed but a fear of the lack of labor. And it seems to me that we ought also—although perhaps that is a matter exclusively within the power of the administration—to provide, just as far as we can, that a labor supply shall be given to the farmer, because he is not going to buy seed and sow seed if he does not think he can reap the crops when they mature. As I understand it, last year enormous crops lay and rotted simply for lack of labor to harvest them. I think the remedy is either by arranging the draft law so that farm laborers shall not be taken or by paroling men from our cantonments to go back to the farms, so that the farmers can have the skilled labor which they need to harvest the crops, and therefore stimulate the farmers to plant this spring.

Mr. MOORE of Pennsylvania. Will the gentleman yield?

Mr. GILLETT. Yes.

Mr. MOORE of Pennsylvania. Is it not true that the shortage of labor which troubles the farmer also troubles the shipbuilder?

Mr. GILLETT. Yes.

Mr. MOORE of Pennsylvania. And is it not true that the shipbuilder is just as important in this war as the producer of food?

Mr. GILLETT. I said at the beginning that it seemed to me that to-day the first instance where we are likely to fall down is on shipping, and next on food, but the trouble has been, I think, that a large part of the farm labor, even before the draft, was drawn away from the farm by the attractiveness of the wages paid by munition factories and shipyards; so that even before the draft began the farmer had a very small quota of labor compared with what he had before and compared with what he needs.

Mr. MOORE of Pennsylvania. The gentleman certainly would not take labor away from the shipyards or from the great industrial establishments and send it back to the farms again?

Mr. GILLETT. I said the only proposition that occurred to me, or the easiest one, is to send the experienced farmers from the cantonments and the National Guard camps.

Mr. NORTON. That is just exactly the point, that the men are being drawn from the farms to the shipyards where they are paid from \$6 to \$15 a day, and a man can not afford to stay on the farm and raise wheat at \$2.20 a bushel. The farmer who raises that wheat can not afford to pay more than \$2 a day for help.

Mr. GREENE of Vermont. Will the gentleman yield?

Mr. GILLETT. Certainly.

Mr. GREENE of Vermont. I think the administration already has in mind some military proposition looking toward the possibility of utilizing the Army for industrial purposes, or a part of it, when occasion may demand, and legislation to that effect is under consideration.

Mr. GILLETT. I am much obliged to the gentleman; I am not in the secrets of administrative legislation as much as is the gentleman from Vermont.

Mr. GREENE of Vermont. I would accept that as a compliment if I thought there was a compliment in it.

Mr. TILSON. Will the gentleman yield?

Mr. GILLETT. Certainly.

Mr. TILSON. The gentleman understands that it has not been the draft that has drawn the men away from the farms but the allurements of higher prices elsewhere.

Mr. GILLETT. But the draft also.

Mr. TILSON. The figures show that the percentage of men drawn away from the farms and inducted into the military service has been almost negligible. The percentage has been very small. I call the gentleman's attention to the report of the Provost Marshal General. The real point is that they have been drawn away from the farm to these other places that pay them very much better than they were ever paid on the farm. There has been little difficulty from the draft itself.

Mr. GILLETT. Of course, we recognize that the farmer can not pay larger prices and still sell his produce at a profit, and therefore he is tempted not to increase production to the point that the country needs.

Mr. TILSON. That is true.

Mr. CANNON. Mr. Chairman, I would be glad if the Chair would inform the committee what the matter is now pending before the committee.

The CHAIRMAN (Mr. SAUNDERS of Virginia). It is an amendment to which a point of order has been reserved.

Mr. CANNON. I demand the regular order.

Mr. MONDELL. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MONDELL. I gave notice when the bill was taken up that I would offer an amendment to this section, and I desire to offer an amendment as a substitute to the amendment now pending against which the point of order is reserved. Can I offer that amendment now with the point of order reserved?

The CHAIRMAN. The regular order has been called for. Does the gentleman from Illinois insist on his demand?

Mr. CANNON. Oh, no; Mr. Chairman, let the brethren talk. [Laughter.]

Mr. SHERLEY. Mr. Chairman, I insist on the point of order. Section 3 of this law provides:

That whenever the Secretary of Agriculture shall find that there is or may be a special need in any restricted area for seeds suitable for the production of food or feed crops, he is authorized to purchase or contract with persons to grow such seeds, to store them, and to furnish them to farmers for cash, at cost, including the expense of packing and transportation.

I make the point of order.

The CHAIRMAN. The paragraph in the bill is in aid of section 3, the food survey law. That provides that the Secretary shall sell for cash. The amendment provides that the Secretary shall have authority to sell it for credit. That is an enlargement of the power of the Secretary; it is legislation on an appropriation bill and is out of order. The Chair sustains the point of order.

Mr. MONDELL. Mr. Chairman, I offer my amendment as a substitute for the paragraph.

Mr. LINTHICUM. Mr. Chairman, I have an amendment to the paragraph. Would not that come in ahead of the amendment of the gentleman from Wyoming?

The CHAIRMAN. An amendment to perfect the paragraph comes in ahead of the substitute.

Mr. LINTHICUM. I do not know whether it is to perfect the amendment.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Maryland.

The Clerk read as follows:

After the word "fund," line 4, page 76, add "and a like revolving fund of \$4,000,000 to loan for the purchase of machinery."

Mr. SHERLEY. Mr. Chairman, I make a point of order to that.

Mr. LINTHICUM. Will the gentleman reserve his point of order?

Mr. SHERLEY. I will reserve it.

The CHAIRMAN. That involves the same point that the Chair has already ruled upon.

Mr. LINTHICUM. Mr. Chairman, it has been said that what the farmer needs is more labor, that although we may buy them the seed or sell it to them, yet if they have not the labor to do the work they can not produce the crops. It is manifest to anybody who knows anything about a farm that if we have the proper machinery we can produce larger crops with a much smaller amount of labor. There are many farmers in the country who would put in more crops, purchase seed, and raise more for the American people, but they are absolutely unable financially to purchase the machinery necessary to carry on the farm according to modern ideas. My amendment would help them in this way. You could lend the man the money to buy the seed, or purchase seed and sell it to him, and at the same time you could lend him the money or purchase machinery and sell it to him on time, so that he could produce a larger crop. If we have proper machinery on the farms we can do the labor with one-third less men than heretofore necessary on the farm. While the large majority of farmers are able to purchase the machinery and do so, and raise large crops, there is a certain class who are absolutely afraid of debt, as afraid of debt as a man is of fire. These timid, though capable, farmers are the ones I wish to reach.

Mr. SMITH of Michigan. What kind of machinery would save one-third of the labor on the farm at the present time?

Mr. LINTHICUM. Small tractors, drills, etc.

Mr. SMITH of Michigan. We have already got them.

Mr. LINTHICUM. I am talking about the farmer who has not them and who has not the money to purchase them.

Mr. HOWARD. He can not buy Ford tractors now.

Mr. LINTHICUM. There are a lot of other good tractors besides Ford tractors.

Mr. KNUTSON. Will the gentleman yield?

Mr. LINTHICUM. Yes.

Mr. KNUTSON. Does the gentleman know of any small farmers who have felt warranted to put in tractors?

Mr. LINTHICUM. I think a small tractor could be used in a small field.

Mr. KNUTSON. You have to have at least 80 acres to make it pay.

Mr. LINTHICUM. Oh, no; I own farms myself, and you can use a tractor on a 10-acre field to advantage. I have used them.

Mr. KNUTSON. I am a farmer.

Mr. LINTHICUM. Why, a small tractor can be used to advantage on an acre of ground.

Mr. MOORE of Pennsylvania. If the gentleman were representing a bank to which a request for money to buy tractors had been made, what sort of security would the gentleman require?

Mr. LINTHICUM. I want to say that I have represented clients and that I have loaned money to farmers all of my life. I have loaned it to them on their individual promissory notes, and also with an indorsement, and I have yet to find a farmer who refused to pay his bills when he was able to do so. I find they are nearly always able to meet these demands. I do not know that we should compel land security. A farmer can often raise half or third of the money necessary for the machinery, and the balance can be loaned on chattel mortgage on the machinery.

Mr. MOORE of Pennsylvania. Would the gentleman put the Government in the position of providing a fund of \$4,000,000 with which to buy machinery to give to farmers, taking as security for it their promissory notes?

Mr. LINTHICUM. I should not want to lend it to all farmers on promissory notes, but I think that there are many farmers to whom the Government can safely lend \$4,000,000 in small sums with which to buy farm machinery.

Mr. MOORE of Pennsylvania. Would the gentleman do the same thing for a man who came forward and said, "I would like to build a mill, or engage in an industrial enterprise, but I have no money?"

Mr. LINTHICUM. We are doing it to-day. Did not the gentleman vote the other day to put up houses, investing the sum of \$50,000,000, for workers at the mills?

Mr. MOORE of Pennsylvania. We did not vote on the bill, but I would do it because of an emergency of war, as represented by the President.

Mr. LINTHICUM. Does the gentleman not look upon food as just as much an emergency of war as munitions?

Mr. MOORE of Pennsylvania. Yes; I do; but I would like to have some assurance that the food was going to be produced. Cotton, for instance, is not food, yet cotton seed are provided for here.

Mr. LINTHICUM. I think that if you leave it to the farmers and give them proper support, you will have that assurance.

Mr. FARR. We have appropriated millions of dollars for the enlargement of plants for the building of aeroplanes. Farm tractors and other labor-saving machinery would greatly add to the production of food so greatly needed, and the Government could be very helpful in doing this.

Mr. LINTHICUM. Certainly; and we are lending in every way for manufacturing munitions and housing and for building aeroplanes, and I think \$4,000,000 could be easily risked to let the farmers produce larger crops.

Mr. NORTON. Does not the gentleman base his amendment on a war emergency?

Mr. LINTHICUM. Absolutely.

Mr. KNUTSON. Would the gentleman accept an amendment so that city dwellers could get tractors with which to plow their gardens?

The CHAIRMAN. The time of the gentleman from Maryland has expired.

Mr. SHERLEY. Mr. Chairman, I make the point of order.

The CHAIRMAN. The point of order is sustained. The gentleman from Wyoming [Mr. MONDELL] offers an amendment, which the Clerk will report.

The Clerk read as follows:

Mr. MONDELL offers the following substitute for the paragraph beginning on line 21, page 75:

"To enable the Secretary of Agriculture to meet the emergency caused by the need for food and seed crops by purchasing or contracting with persons who grow seeds suitable for the production of food crops and to store, transport, and furnish such seed to farmers for cash at approximately the cost of the same or on credit with approved security of financial or business organizations guaranteeing the same, \$5,000,000, and this fund may be used as a revolving fund until the Secretary of Agriculture determines that no such emergency exists, and the Secretary of Agriculture is authorized to pay all such expenses, including rent, and to employ such persons and means in the District of Columbia and elsewhere and to cooperate with such State authorities or local organizations or individuals as he may deem necessary."

Mr. SHERLEY. Mr. Chairman, on that I reserve the point of order.

Mr. MONDELL. Mr. Chairman, the item for which we are providing a deficiency originally was \$2,500,000, and out of a proposed appropriation of \$6,000,000 the committee has granted four. This provides for the purchase of seeds and their sale at cost. It is a splendid provision of law. Much good has been accomplished under it, but there are conditions in the western country that make it impossible for people in considerable areas out there to avail themselves of this opportunity to buy for cash. The Agricultural Department very properly objects to selling to individual farmers on credit, but in our country for years past we have in almost every county voluntary organizations of bankers and business men who have guaranteed \$5,000, \$10,000, \$15,000, \$20,000, or whatever sum was believed to be necessary for seeds. They have guaranteed this amount of seed purchased by the farmers, and I think there has scarcely been a case where the sums borrowed have not been returned. My amendment increases the item in the bill to the amount of the estimate, increasing it by \$2,000,000, and provides that the seeds may be sold for cash or they may be sold on credit on approved security of responsible organizations. In other words, the Secretary of Agriculture could take advantage of these organizations in the various sections of the country where conditions of drought—lack of accumulated capital—render it difficult to secure the capital with which to pay cash for these seeds. He could communicate and negotiate with those associations and distribute such quantity of seeds in the community as these associations, bankers, business men, stockmen, and farmers would obligate themselves to pay for.

Those associations would be very glad to distribute the seeds. They would see that they only got into the hands of those who would pay for them. The Government would be safeguarded, first, by the supervision of these responsible people, and then by the fact that they themselves were responsible to the Government for payment. We have a very considerable area of western country that has been subjected to exceedingly severe drought conditions. Our country is not one of accumulated capital. Local organizations are finding it more and more difficult to advance the money for seeds. We need seeds; we need increased agricultural production. We have great areas there

where potatoes can be grown in increased quantities, sugar beets, wheat, and rye. The Secretary would not take advantage of this provision in old communities where there are accumulations of capital and where the people locally should obligate themselves to aid those who are needing seeds. It could be utilized in all that territory from west Texas which has been suffering so severely, on north to Montana, where last year they had a dreadful condition of drought among the new settlers who have no accumulations of capital and who are not in position to pay cash, and the banks in those communities are not so situated that they can advance these sums. We are lending aid and assistance in every direction for the prosecution of the war. Here is a sound business proposition. I do not wonder the Secretary of Agriculture does not want to go into the business of loaning to individual farmers. My provision is one under which the Secretary would only have to deal with organizations here and there, perhaps one in a county.

Mr. SLOAN. Will the gentleman yield?

Mr. MONDELL. I do.

Mr. SLOAN. Would the gentleman be willing to accept an amendment to add to "financial or business," "business or farmers' organizations"?

Mr. MONDELL. I would be delighted to do that. I used the terms I did, knowing that my amendment would go out on the point of order, to make it very clear to the Secretary of Agriculture and others whom we need to persuade to change their minds. That we were expecting them to depend only upon very reliable people, not that farmers are not just as reliable as the folks in town, but I suggested business organizations, bankers, and business men to emphasize the business nature of these organizations. Yes, organizations of bankers, business men, and farmers, such that the Secretary shall know that they are reliable and responsible. In our country it has been in the main the large stockmen and larger farmers helping out with the bankers and business men. Mr. Chairman, this item will go out on the point of order, but I am proposing another amendment reducing the appropriation under the Holman rule, which should not go out on the point of order. That will be offered after the point of order is made and sustained to this item.

The CHAIRMAN. Does the gentleman from Kentucky insist upon his point of order?

Mr. SHERLEY. I do.

The CHAIRMAN. The point of order is sustained.

Mr. MONDELL. Mr. Chairman, I have an amendment pending, which I offer.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Substitute offered by Mr. MONDELL for the paragraph beginning on line 21, page 75, and ending on line 4, page 76:

"For additional for procuring, storing, and furnishing seeds as authorized by section 3 of the act entitled 'An act to provide further for the national security and defense by stimulating agriculture and facilitating the distribution of agricultural products,' approved August 10, 1917, including not to exceed \$5,000 for rent and personal service in the district of Columbia, \$3,999,000, which may be used as a revolving fund until June 30, 1918, and the seeds secured and purchased out of this appropriation may be sold to farmers for cash at their approximate cost, or on credit with approved security of responsible organizations guaranteeing the repayment of same."

Mr. SHERLEY. Mr. Chairman, I make a point of order on the amendment.

The CHAIRMAN. The point of order is made to the amendment.

Mr. MONDELL. Mr. Chairman, the amendment fairly comes within the Holman rule. It is in the language of the item as it is in the bill, reduces the appropriation \$1, and provides that these seeds may be sold on credit with approved security to certain organizations. The gentleman from Kentucky has not pointed out in what way the language is subject to the point of order.

Mr. SHERLEY. I did not want to interrupt the gentleman's argument.

Mr. MONDELL. I desire to know what the gentleman's point of order is.

Mr. SHERLEY. Why, that it is legislation on an appropriation bill and therefore not in order.

Mr. MONDELL. Legislation, Mr. Chairman, is in order on an appropriation bill under certain conditions if it reduces expenditures—the amount carried in the bill—which this does.

Mr. SHERLEY. If the gentleman has concluded his argument, I will be glad to present the reasons why I do not think it comes within the Holman rule.

Mr. MONDELL. I would like to hear the reasons, and I am very sure the Chair would.

Mr. SHERLEY. Of course, I did not want to interrupt the gentleman, and that is the reason I permitted him to continue ad libitum.

Mr. MONDELL. I do not want to take up the time of the committee unnecessarily.

Mr. SHERLEY. Now, Mr. Chairman, the reason that the matter is subject to the point of order is because the legislative part of it does not in any sense result in a reduction of the expenditure. If the gentleman's broad contention was true all you would have to do touching any amendment to make it in order would be to reduce by 1 cent any money item in a bill, then add whatever language you pleased, and, according to the gentleman's contention, you would thereby be reducing the expenditure. But the rule was not made for that sort of a case. The rule is that for an amendment to be in order under the Holman rule it must be of such a character as to result in a reduction of salaries or expenses or the general amount carried in the bill. Not even the ingenuity of the distinguished gentleman from Wyoming, exerted in a cause that is most dear to his heart, that of the farmer, is sufficient to enable him or anybody else to show that selling on credit instead of for cash will save money to the Government of the United States, and I submit the matter is manifestly subject to the point of order.

The CHAIRMAN (Mr. SAUNDERS of Virginia). The situation developed by this amendment is as follows: The amendment first proposes to reduce the amount carried in this paragraph. That is perfectly competent under parliamentary law. In addition it is proposed for legislation to accompany the reducing portion of the amendment. But this legislation has no sort of relation to the proposed reduction. It is perfectly competent to legislate on an appropriation bill, provided the legislation proposed necessarily effects a reduction; but it is just as plainly incompetent to propose a reducing amendment to an appropriation bill a motion which can be made at any time without reference to the Holman rule and then undertake to attach to this motion legislation which does not effect the reduction and is not in any wise related to it.

Now, that is the situation presented by the amendment of the gentleman from Wyoming [Mr. MONDELL], and his amendment is plainly out of order. The point of order is sustained.

Mr. GOOD and Mr. MORGAN rose.

The CHAIRMAN. The gentleman from Iowa, a member of the committee, submits an amendment, which he will send to the desk and the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. GOOD: At the end of line 4, on page 76, insert the following:

"Provided, That no part of said sum shall be used for the purchase of seeds of any kind except in cases where the Secretary of Agriculture shall find there is a shortage of seed of such variety."

Mr. SHERLEY. Mr. Chairman, I reserve a point of order on that.

Mr. GOOD. Mr. Chairman, I do not desire to do anything to cripple the Department of Agriculture in this regard. I do not want to do a thing that will prevent the largest possible production of agricultural products, but I want to say frankly and earnestly that I am amazed at the statement of the Department of Agriculture with regard to what they did with the \$2,500,000 appropriated for this purpose and what they now proposed to do with the \$6,000,000 asked for.

I have objected to river and harbor appropriations because they were trades, and I am opposed to this because it seems to be on the same kind of a basis. For instance, under the \$2,500,000 appropriation we find the Secretary purchased, for Texas, corn, \$75,000; cotton, \$290,000; sorghum, \$310,000; peanuts, \$215,000—or \$890,000. Then for the Northwest—Montana and North Dakota—barley, \$339,500; flax, \$210,000; oats, \$250,000—or \$800,000, the same amount that was given to Texas; and then corn for the Northwest. And, mind you, in these hearings the only thing that is pointed out by the department where there is an actual shortage is in corn; and yet all the rest of the corn-producing part of the country outside of Texas was only given \$610,000. Six hundred and eighty-five thousand dollars were spent by the department for corn seed, the only seed mentioned by the department where there is an actual shortage, but \$215,000 was spent for peanuts. Are we going to win this war by raising peanuts? There is not a word here that there is a shortage of peanuts or that the peanut seeds are defective; yet the Secretary of Agriculture, out of this appropriation of \$6,000,000, is asking for peanuts \$250,000, in addition to the \$215,000 already spent for such purpose. Not a word that there is a shortage of cotton seed, and yet he wants \$500,000 for cotton seed. Not a word that there is a shortage of sorghum seed, and yet he wants \$500,000 for that.

Now, I know nothing about a shortage of these seeds. There may be a shortage. But I want to say that the man, I care not what his position may be, who will say that there is a shortage in the United States of oat seed, that the yield in the United States is poor, does not know what he is talking about; and

yet they propose here to spend of the \$6,000,000 estimated for, \$750,000 for oat seed where there is no shortage at all.

Now, what does the amendment accomplish? It does not strike down by a single penny the power of the Secretary of Agriculture to purchase seed, but it does provide he shall not use this fund except to purchase seed where there is a shortage, and he will determine where there is a shortage. That is just what we want to accomplish; and yet under the administration of that law we are not accomplishing that at all. We are giving certain sections of the country, whether there is a shortage or not, the benefit of this revolving fund and the right to purchase seed where there is a shortage, and I am opposed to it. I think the amendment ought to be adopted, for I think we ought to put a limitation on the use of this fund. I do not believe it is subject to a point of order.

Mr. SLOAN. One word. You have "variety" there where you should have "kind" or "species."

Mr. GOOD. I ask to modify the amendment by putting in the word "kind" instead of "variety."

The CHAIRMAN. Without objection, the request of the gentleman will be agreed to.

There was no objection.

Mr. SHERLEY. Mr. Chairman, notwithstanding the amendment appears in the form of a proviso and a negation, it is, in point of fact, an affirmative statement, and, being affirmative, is legislation and subject to a point of order. As I caught the reading of the amendment, it provides that no part of this money shall be expended unless the Secretary shall find that there is a shortage. Now, the law under which the provision is made provides for the expenditure whenever in the judgment of the Secretary of Agriculture there may be a special need. This requires the Secretary to spend the money if there is a shortage, and whether there is any need or not.

Mr. GOOD. Does the gentleman think there could be a need for seed if there was not a shortage?

Mr. SHERLEY. Oh, manifestly, yes. Although I am not a farmer, I can imagine that situation. There may not be a shortage of seed and yet a considerable shortage in the right kind of seed, and therefore a need to get the right kind of seed. And manifestly the question of need, ability to acquire, the seed within the time and at the place and locality, and the price, are the things which determine the Secretary's action, whereas the gentleman would want him to buy seed whenever there was a shortage of seed.

Mr. GOOD. I do not want to do anything in this regard that I think would in any way interfere with the proper administration of this law.

Mr. SHERLEY. I am sure of that.

Mr. GOOD. The gentleman knows, and I am sure will agree with me, that when we adopted this legislation and gave the Department of Agriculture a fund of \$2,500,000 with which to purchase whenever in the opinion of the Secretary there was a bad need for it in any restricted area, and there was a shortage of seed of certain kinds, and in order to bring up our production to the highest possible point, the Secretary would thereby be enabled to furnish those particular areas with that kind of seed.

Mr. SHERLEY. That may be true, but the point I am making, Mr. Chairman, is that while the language is disguised in the form of a limitation, in point of fact it is not a limitation but an enlargement.

Mr. GILLETT. It seems to me, if the gentleman will yield a moment—

Mr. SHERLEY. Certainly.

Mr. GILLETT (continuing). He seems to suggest compulsion. There is no compulsion.

Mr. SHERLEY. It permits it, and the law does not. The law only permits the Secretary to do it when he shall find a need. This permits him to do it whenever there is a shortage. There may be a shortage without a need.

Mr. GILLETT. And there may be a need without a shortage.

Mr. SHERLEY. Oh, yes; but I am arguing the parliamentary law proposition.

Mr. GREEN of Iowa. Will the gentleman yield further?

Mr. GILLETT. As I understand it, the gentleman's argument is that the words "need" is smaller than the word "shortage" and embraces less.

Now, it seems to me it is clearly the other way. The law at present says that the Secretary shall do it if there is a need. The amendment offered by the gentleman from Iowa provides that it shall only be done in case of a shortage, so that it seems to me it is clearly a limitation, because it does not strike out the present existence, but provides that—

No part of this fund shall be used for the purchase of seeds except in case the Secretary of Agriculture shall find there is a shortage of seed.

Mr. SHERLEY. That is just it. It requires the doing of an affirmative act by the Secretary before the money is expended. That is not a limitation in a negative sense.

Mr. GILLETT. The Secretary now is required by an affirmative act.

Mr. SHERLEY. I know; but what you are trying to do is, in an appropriation bill, under the guise of a negation, to require an affirmative action on the part of the Secretary of Agriculture, and that is not permitted.

Mr. GILLETT. Under the guise of a limitation.

Mr. SHERLEY. You have to have an actual negation and not simply, under the guise of "Provided," to carry an affirmative action.

Mr. GILLETT. It will be a limitation if it reduces.

Mr. SHERLEY. The gentleman is invoking the Holman rule with a limitation. This has nothing to do with the Holman rule. The rule is that a provision to be in order on an appropriation bill, changing the language, must be a limitation upon the power conferred. For instance, you can provide that where an appropriation was made for the purchase of a certain ship, "Provided, That it could not be expended for a ship of greater tonnage than a certain amount." That would be a limitation. But if you said, "Provided, That it shall not be expended until the Secretary of the Navy shall determine that a ship is of a certain tonnage," then you are legislating. It can be made in order, but it is not in order.

Mr. GILLETT. Now the Secretary of Agriculture can do it, provided there is a need. This says he shall do it provided there is a shortage.

Mr. SHERLEY. It says he shall not do it "except when he shall find," and so forth, which is an affirmative proposition.

Mr. GILLETT. It can easily be said "except when there is a shortage."

The CHAIRMAN. May the Chair ask the gentleman from Massachusetts a question?

Mr. GILLETT. Certainly.

The CHAIRMAN. Is it intended in the language proposed that the discretion of the Secretary shall be enlarged or reduced?

Mr. GILLETT. Reduced.

Mr. SHERLEY. That operates, then, in changing existing law.

Mr. GOOD. Mr. Chairman, the act of August 10, 1917, which authorizes an appropriation of this kind, provides that "Whenever the Secretary of Agriculture shall find that there is or may be a special need in any restricted area for seeds suitable for the production of food or feed crops, he is authorized," and so forth, requiring of the Secretary of Agriculture the affirmative determination of the needs of the various localities with regard to seed for food and forage crops or anything of that kind.

Now, take the case in a certain community; there may be an ample supply of seed. There may be no shortage at all. Yet John Jones may need some that he does not possess. In that case the Secretary of Agriculture can go into a community and buy for John Jones 100 bushels of oats and turn them over to him, when in that very community there is no shortage at all.

The amendment which I offered simply provides that it shall not be used except where the Secretary of Agriculture shall find there is a shortage. How can the Secretary of Agriculture determine the needs of a man unless he determines whether or not there is a shortage in this or that man's oat or corn bin? If he has more corn than he can plant and otherwise use, he does not need it, does he? And so in the determination of the very things provided for by law are the things he must determine under my amendment. He must determine whether or not there is a shortage in every man's crib. If that is not true, then I do not understand the English language.

Clearly, Mr. Chairman, the amendment is a limitation on this appropriation. I do not care to take up the time of the House, because if it is thought that I am asking the Secretary of Agriculture to do something in addition to what he is authorized to do, I will offer an amendment in another way and remove, so far as I can, that objection. I do not think it subject to a point of order, and I do not now think it is subject to a point of order.

Mr. NORTON. Mr. Chairman, I desire to be heard on the point of order. I believe the point of order should be sustained. I believe the amendment is clearly subject to a point of order, because it is new legislation, for if enacted it would completely nullify the provision of section 3 of the act of August 10, 1917, which provides:

That whenever the Secretary of Agriculture shall find that there is or may be a special need in any restricted area for seeds suitable for the production of food or feed crops he is authorized to purchase or

contract with persons who grow such seeds to store them and to furnish them to farmers for cash, at cost, including the expense of packing and transportation.

If this amendment, which limits the right of the Secretary of Agriculture to purchase when there is a shortage of a particular kind of seed, were enacted, then in the case of the oat crop, if there was a larger production of oats in the country than there was the year prior, or whatever year the comparison is to be made with—and that is not clear in the amendment—then the Secretary of Agriculture would have no right to purchase any oats, although there might be a large need for seed oats in some restricted districts of the country. The object of section 3 of the act of August 10, 1917, was to permit the Secretary to purchase kinds of seed of which there may be a surplus or a shortage grown and to have these seeds supplied to restricted areas where there was a failure or shortage of crops last year and where a supply of the seeds is needed.

Mr. GREEN of Iowa. Mr. Chairman, will the gentleman yield?

Mr. NORTON. Certainly.

Mr. GREEN of Iowa. Just for information, I want to inquire as to the words, "which may be used as a revolving fund." Is that in the present law?

Mr. NORTON. No.

Mr. GREEN of Iowa. Then I do not see the application of the Holman rule. How can this be added without considering the Holman rule, I can not understand.

Mr. CARTER of Oklahoma. The Holman rule requires a limitation.

Mr. NORTON. I believe, Mr. Chairman, the adoption of the amendment of the gentleman from Iowa [Mr. Good] would clearly change this provision of the present law and that, accordingly, the amendment is subject to the point of order that it is new legislation upon an appropriation bill.

Mr. GOOD. The whole provision is subject to a point of order, and being subject to a point of order, this amendment can not be. We are amending the law here, making this a revolving fund.

Mr. SHERLEY. Where are we amending the law?

Mr. GOOD. My attention was just called to it.

Mr. SHERLEY. That may be so, but it does not make it so.

Mr. GOOD. The language is, "Which may be used as a revolving fund until June 30, 1918."

Mr. SHERLEY. The law permits it. We are not changing the law.

Mr. GOOD. Where does the law provide that? The law does not provide for that at all. Section 3 says nothing about a revolving fund. The whole provision is subject to a point of order.

Mr. SHERLEY. We have the right to appropriate for the seed, and to reappropriate up to June 30 on a deficiency bill.

Mr. GOOD. But you make it a revolving fund.

Mr. SHERLEY. We do; but that is not subject to a point of order.

Mr. GOOD. But it is legislation, is it not?

Mr. SHERLEY. No; I think not.

Mr. GOOD. What was it put in for if it does not give additional power? The gentleman well knows that when the money came back into the Treasury for the sale of 100,000 bushels of corn, it could not be paid out again—

Mr. SHERLEY. Unless we appropriated it.

Mr. GOOD. Unless we appropriated it.

Mr. SHERLEY. But the gentleman assumes that we have no right to appropriate for its use and reuse up to July 1.

Mr. GOOD. I think you are legislating when you make it a revolving fund.

Mr. SHERLEY. I do not care to delay the bill. I really do not care what is done with the point of order. I will deal with the merits of the proposition.

The CHAIRMAN. A new question is raised in this connection. Of course, it must be apparent that if the paragraph proposed to be amended is itself subject to a point of order, then no point of order will lie against the amendment.

Mr. MADDEN. The language of the present paragraph, that is the original law, to the extent that it makes this a revolving fund—does that make the paragraph of the bill itself subject to a point of order?

The CHAIRMAN. The Chair was just going to say that a new suggestion is introduced, that the paragraph itself to which the amendment is proposed is subject to a point of order.

Mr. SHERLEY. If the Chair please, the very act itself provides for a revolving fund of two and a half million dollars up to June 30, and that is all we do.

Mr. GOOD. But here we are appropriating \$34,000,000 and making that available.

Mr. SHERLEY. That is the deficiency phase of it that makes it in order on this bill.

The CHAIRMAN. Where is the section to which the gentleman refers?

Mr. SHERLEY. The second paragraph of section 8 on page 2 of the act approved August 10, 1917.

The CHAIRMAN. Where is the language cited by the gentleman from Kentucky?

Mr. SHERLEY. The language is—

For procuring, storing, and furnishing seeds, as authorized by section 3 of this act, \$2,500,000, and this fund may be used as a revolving fund until June 30, 1918.

If we have the right to appropriate it up to July 1 we have the right to appropriate for its reuse up to July 1. There is no limit under section 3 as to the amount that can be appropriated. The fact that we reappropriate it, but limit it always to July 1, keeps it within the rule.

Mr. GOOD. Mr. Chairman, I think the gentleman from Kentucky is right in that regard. I have examined the act, and I do not believe that anything can be claimed in regard to that matter; but I still insist that the amendment is not subject to the point of order.

Mr. Chairman. I ask unanimous consent to withdraw the amendment and to offer one which I think will be unobjectionable.

The CHAIRMAN. Is there objection?

There was no objection.

The CHAIRMAN. Will the gentleman send his amendment to the desk to be reported?

The Clerk read as follows:

Amendment offered by Mr. Good: Page 76, line 4, after the word "eighteen," insert the following: "Provided, That no part of said sum shall be used for the purchase of seed of any kind except where there is a shortage of seed of such kind in the respective districts."

Mr. SHERLEY. Mr. Chairman, I shall not raise a point of order, but I want to be heard on the merits of the proposition.

The committee had from the Secretary of Agriculture a very full statement touching what was proposed to be done with the moneys that he had obtained and that he hopes to obtain. Perhaps there were some matters which we did not cover that we might have covered, but I submit to this House that not even as good a farmer as the distinguished gentleman from Iowa [Mr. Good] is in a position to know as well as the Secretary of Agriculture what the need is. Now, there may be, and frequently will be, cases in which there is need to supply seeds where there is not a shortage, because the determination of a shortage is a determination of the entire quantity of seeds over the country at large, whereas the determination of the need is by the act itself limited to restricted areas, and it is easily conceivable, and in point of fact is true, that there are places where there is great need, and yet there is no shortage in the kind of seeds. Take corn, for instance. There is great need of a certain character of corn to be had for planting in certain areas, but there is no shortage of corn for planting. You can find enough corn to plant. You might not find the kind of corn desired. But after all, laying aside those matters, what is the use of this House undertaking to quibble about this language? In the last analysis you have got to trust the intelligence and the patriotism and the judgment of the Secretary of Agriculture and those who act under him, and it is folly to undertake to put language in here that may simply serve to hamper him, and which can not make a wise man out of him.

Mr. NORTON. Nobody questions his patriotism.

Mr. SHERLEY. It is not simply a question of patriotism, but it is a question of judgment. How are you by legislation going to give wisdom to men? If the Secretary of Agriculture has not wisdom enough to expend this money without this limitation he has not wisdom enough to spend it with the limitation, and everybody here knows that is the fact.

Now, the committee has tried to take a reasonable course between the extremes of this House, between men who wanted us to furnish seed free or to furnish it on credit, which would amount in many instances to furnishing it free, and some gentlemen who seem to object to seed being furnished because some of the seed is of a certain character and going to certain sections of the country. There is nothing in the appropriation that restricts the Secretary and compels him to buy peanuts. The plan as outlined is a tentative plan based upon information that the department has. The gentleman from Iowa [Mr. Good] says there is no need for oats. I submit that the Secretary of Agriculture would not have submitted the table he has, touching the need of oats for planting, unless there was an actual need, and he is in a position to know more about it than the gentleman from Iowa. I say that with all proper respect for him. Now, let this committee be sensible in the legislation

that we pass. We properly could determine questions of amount. The gentleman does not seek to limit the amount of money, but he seeks to put a limitation on the bill that will either be meaningless or will serve to handicap the Secretary in ways that can not now be foreseen, and that ought not to be adopted by the House.

Mr. GREEN of Iowa. Mr. Chairman, I am very much surprised at one argument made by my friend from Kentucky [Mr. SHERLEY], who is one of the most logical, if not the most logical, gentlemen in the House. He says that we ought to trust to the judgment of the Secretary of Agriculture to make proper expenditures in this line, to give the Secretary authority to use this money wherever he will. If we followed that line of argument everywhere, we would not make anything but lump-sum appropriations.

Mr. SHERLEY. I beg the gentleman's pardon; I never said anything of the kind. There are limitations in the law, but the limitation the gentleman is trying to put on has no basis in reason.

Mr. GREEN of Iowa. I am not inclined to agree with my friend on that point any more than I am on the other. Now, take the matter of oats. My colleague [Mr. Good] has shown that we have an abundance of oats in the country of the finest quality. There is no need of this appropriation unless there is actual shortage of seeds, and, as I say, there is an abundance of that seed in this country.

Mr. NORTON. Will the gentleman yield?

Mr. GREEN of Iowa. Yes.

Mr. NORTON. Take an area of 20,000 square miles in Montana and Wyoming. There was not a bushel of oats raised in that section last year. Although there is a surplus in the country, might not there be an urgent need of oats in that restricted district?

Mr. GREEN of Iowa. In one sense there might; but the farmers in my district need money. I need money myself. A Member at my side asks, "How much?" More than I get. But I know of no reason why the Treasury should supply that need.

Mr. NORTON. The trouble is that it is impossible for these people to get the seed there.

Mr. GREEN of Iowa. That ought to be taken care of in a different way. As far as that is concerned, it comes back to the same point. Here are farmers that need money; that is what they need instead of seed. The gentleman from Dakota says that that ought to be supplied out of the Treasury, and the argument of the gentleman from Kentucky comes to the same thing.

Mr. SHERLEY. If the gentleman will permit, he knows that the law provides that seeds shall be sold for cash, and the amendment provides that the seed shall not be supplied if there happens to be in the country at large enough seed for the needs of the country. One of the difficulties that exists to-day is getting the seed in time to certain localities, and the kind of seed needed, irrespective of the shortage or supply of the country at large.

Mr. GREEN of Iowa. If the gentleman will permit me, I think I know something about the oats business, because I come from a section where they raise an enormous amount of them. I am very familiar with that subject, being from an agricultural section. I know there is plenty of good seed oats, if people have the cash to buy it.

Mr. TOWNER. Will the gentleman yield?

Mr. GREEN of Iowa. Certainly.

Mr. TOWNER. Might there not be in the locality mentioned by the gentleman from North Dakota a shortage of seed in that locality, and would it not be within the discretion of the Secretary of Agriculture to supply that shortage under the terms of the amendment offered?

Mr. GREEN of Iowa. If there was a genuine shortage, it could be supplied under the terms of the amendment.

Mr. NORTON. The amendment does not provide for a shortage in any particular district; it says a shortage of that kind of seed.

Mr. TOWNER. That is true, but it would apply under the general terms of the act in a particular locality. It does not say a general shortage all over the country. If there is a shortage or need in any particular locality, it would authorize him to supply the shortage under the gentleman's amendment.

Mr. NORTON. I would not so interpret it.

Mr. GREEN of Iowa. We can not, Mr. Chairman, trust these matters to the judgment of any man, except where we are compelled by war's emergencies. Especially is this true when reason and our own judgment point out limitations which should prevail. I hope the amendment of my colleague will be adopted.

Mr. MONDELL. Mr. Chairman, returning to the gentleman from Iowa the bouquet handed by him to the gentleman from Kentucky, and which he is entitled to, for there is no more logical gentleman on the floor of the House ordinarily, I do not catch the logic of the argument he just made. Of course somewhere in the country there are seeds; otherwise we would be in a very bad way, indeed.

This appropriation was originally made on the theory that there was not a proper distribution of seed; that there were large areas in which seed had not been grown and where seed was difficult to secure, and we loaned the credit of the Federal Government to the farmers for the purpose of securing seeds where seeds could be obtained and transporting them and selling them to the farmers where they were not to be had. That is the purpose of the legislation. Whether it was wise or necessary to do that is a matter of opinion.

But we assumed that it was necessary to do it, or we would not have done that thing. Now, the gentleman from Iowa [Mr. Good], if I understand his amendment at all, would prevent the purchase and sale of seed if anywhere in the country there were seeds obtainable. He speaks about oats. Of course every farmer in Iowa ought every year to come to Wyoming or Montana to buy his seed in order to get good oats; not the light, fluffy stuff that grows down there, that a whiff of wind will carry beyond the barnyard out into the field. Our purpose of this legislation is to enable the Secretary of Agriculture to go into the regions where they really grow good solid oats that weigh 38 to 42 pounds to the struck bushel and take them into Iowa, where, I am told, they frequently grow oats that weigh about 20 or 25 pounds to the heaped bushel.

Mr. TOWNER. Will the gentleman yield?

Mr. MONDELL. Yes.

Mr. TOWNER. The gentleman's statement regarding conditions in Iowa can—

Mr. MONDELL. Oh, well, I will make it Indiana; I do not see anyone from Indiana present. [Laughter.]

Mr. TOWNER. The gentleman's statement is a sufficient explanation.

Mr. MONDELL. I know that the gentleman from Iowa does not want to hamper the Secretary in utilizing this fund. It may be that the Secretary has not made as wise a distribution as we think he should have made of the money, but we hope in that case that the fault will be rectified under the new appropriation.

This ought to be amended so as to allow the Secretary to sell this seed to organizations that will guarantee the repayment of the money. That is what we ought to do, but if we are not to do that we at least should not hamper the Secretary. We ought to enable him to go into the regions where there are good seeds, where they are plentiful. For instance, as I said a moment ago, go into the mountainous part of Wyoming and get his oat seed.

Mr. GOOD. Can he get oats there now?

Mr. MONDELL. In some parts of that country they are short. We want a better distribution of them, and that is what is proposed under this bill. I am sure that any limitation would hamper the Secretary and would not secure the distribution that ought to be had.

Mr. NORTON. Mr. Chairman, a parliamentary inquiry. Has the point of order been made?

Mr. SHERLEY. Mr. Chairman, I ask unanimous consent that debate upon this amendment and all amendments thereto close in five minutes.

Mr. GOOD. I should like to have five minutes.

Mr. SHERLEY. Oh, we have already had an hour upon this.

Mr. GOOD. I have not had any time on this amendment.

The CHAIRMAN. The gentleman from Kentucky asks unanimous consent that debate upon this paragraph and all other amendments thereto close in five minutes.

Mr. MORGAN. Mr. Chairman, I have an amendment that I desire to offer.

The CHAIRMAN. Is there objection?

Mr. MORGAN. Mr. Chairman, I object.

Mr. SHERLEY. Then I move that all debate upon this paragraph and all amendments thereto close in 10 minutes.

Mr. MORGAN. I have an amendment that I desire to offer.

Mr. SHERLEY. That gives the gentleman five minutes for his amendment.

Mr. MORGAN. I would not like to be restricted in that way. Give me 10 minutes.

Mr. SHERLEY. Then, Mr. Chairman, I ask unanimous consent that all debate upon the paragraph and all amendments thereto close in 15 minutes.

The CHAIRMAN. The gentleman from Kentucky asks unanimous consent that debate upon this paragraph and all amendments thereto close in 15 minutes. Is there objection?

There was no objection.

Mr. NORTON. Mr. Chairman, a good deal has been said about the logic of the statements of the gentlemen who have discussed this amendment. Permit me now to call the attention of the committee to the logic of the amendment. The amendment is as follows:

Provided, That no part of said sum shall be used for the purchase of seed of any kind except where there is a shortage of seed of such kind.

That is, no part of this sum can be used to purchase any seed in any place except where there is a shortage of seed. It seems to me the place to purchase seed by the Secretary of Agriculture would be a place where there is a surplus of seed rather than where there is a shortage. This amendment precludes him from purchasing any seed except in some place where he can find there is a shortage of seed of that particular kind. If that is logic in the amendment the committee can make the most of such logic by voting down the amendment. It is simply ridiculous as it now stands. What the gentleman who proposed the amendment probably wishes to accomplish is to provide that the seed shall only be allowed to be purchased by the Secretary of Agriculture when there is a shortage in certain restricted districts. The amendment as it now stands would preclude the Secretary from purchasing seed except in a place where there was a shortage of seed. As the amendment stands, of course it can not be and should not be accepted by the committee. If the amendment were to the effect that the provision should limit the Secretary to purchasing seed when there is a shortage, that should not be adopted unless it should limit the Secretary to purchasing seeds and supplying them when there is a shortage in a particular restricted district. That is exactly what the provision as it is in the bill would allow. It allows the Secretary to purchase the seed and to supply it where there is a need for it. The amendment should be defeated.

Mr. GOOD. Mr. Chairman, I shall ask to modify the amendment by adding in the words "in any restricted area," so that it will obviate all the objection made by the gentleman from Kentucky [Mr. SHERLEY]. I do not wish to do a thing that will hamper or embarrass the Department of Agriculture. I have high regard for the Secretary of Agriculture, but I want to say that no Secretary of Agriculture could go into the details of administration of a fund of this kind, and the hearings show that the Secretary in administration of the fund relied upon some of the bureau chiefs with regard to all of these matters, and some of these bureau chiefs differed from him very materially in some of the matters that came before the committee. It is estimated here to use \$750,000 with which to buy seed oats, and if the Secretary investigates the matter he will find that there is no shortage of seed oats. When this estimate was made it was made upon the basis of a dollar a bushel, when the market price of oats in Chicago at that time was about 54 cents. Does anyone think that the farmers of North Dakota or Montana are foolish enough to pay a dollar a bushel, the amount required here by this bill and the amount which the Secretary paid for oats when oats were selling for between 50 and 60 cents in the open market?

I offer the following amendment, which I send to the desk and ask to have read.

The CHAIRMAN. The gentleman from Iowa offers an amendment, which the Clerk will report.

The Clerk read as follows:

At the end of the amendment offered by Mr. Good, add the following: "In any restricted area," so that it will read:

Provided, That no part of said sum shall be used for the purchase of seed of any kind except where there is a shortage of seed of such kind in any restricted area."

Mr. MORGAN. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read:

Page 76, strike out the period after the word "eighteen" and insert a semicolon and the following:

Provided, That no portion of the amount herein appropriated shall be used except when seeds purchased thereby shall be sold to farmers upon credit."

Mr. STAFFORD. Mr. Chairman, I reserve a point of order on that.

Mr. SHERLEY. I reserve the point of order.

Mr. MORGAN. Mr. Chairman, as the point of order is reserved, I shall first make a few remarks with the idea that the amendment offered is in order. I do not think there is any question but that the amendment is in order.

Mr. SHERLEY. Mr. Chairman, the gentleman realizes that his time is running.

Mr. MORGAN. I am to have 10 minutes.

Mr. SHERLEY. I thought the gentleman was undertaking to discuss the point of order.

Mr. MORGAN. I want time in which to discuss the point of order also.

Mr. SHERLEY. Then the gentleman would have 10 minutes additional. I am not willing that he should do that. I am willing to reserve the point of order for 10 minutes in order that he may discuss the merits of the proposition if he desires.

Mr. MORGAN. All right, thank you.

The CHAIRMAN (Mr. GARNER). The gentleman is recognized for 10 minutes and under the unanimous-consent agreement will occupy 10 minutes in the discussion of both the point of order and the merits of the amendment.

Mr. MORGAN. This provision in this bill appropriates \$4,000,000. Under the so-called food-control act these funds must be used in selling seeds to farmers for cash. First, I wish to address a few words to the chairman in a discussion of the point of order. My amendment does not limit the amount of money expended, but does limit the purpose for which it may be used. In other words, under my amendment no portion of this \$4,000,000 can be used except in selling seeds to farmers on credit. Now, the fact that my amendment may change the existing law does not make it subject to the point of order. For instance, I will read here from Hinds' Precedents, volume 4, page 639:

The question arose as to whether this is a limitation merely. If so, the amendment is in order. If not, it is out of order. It is maintained that this amendment changes existing law. In a sense every limitation changes existing law. If any specific condition is mentioned under which an appropriation is to be withheld, that is, *pro tanto*, a change of existing law, at least to the extent that the whole or a part of the appropriation can not be expended unless the condition is complied with.

Now, then, under my amendment not one single cent of this \$4,000,000 can be used unless it is used to sell seeds to farmers on credit. The entire \$4,000,000 might be saved to the Government. My amendment restricts or limits the use of money. Hence it is in order as a limitation. That has been ruled in many cases.

My amendment provides that no portion of the \$4,000,000 appropriated under this paragraph shall be used except that which is used in the purchase of seeds to sell to the farmers on credit. This is clearly a limitation of the use of the money appropriated, and hence it is a limitation which is in order as an amendment to an appropriation bill. It may be said that my amendment changes existing law, and is therefore out of order. But I have quoted a decision from Hinds' Precedents, volume 4, page 639, which clearly points out the fact that every limitation changes existing law. My amendment is therefore not objectionable on the ground that it changes existing law. There are many authorities which might be cited sustaining my view of the proposition.

Assuming, therefore, that my amendment is not subject to a point of order, I wish to discuss somewhat the merits of my amendment. It is well to have in mind the history of this question. It came up when the food-survey bill was before Congress during the last session.

House bill 4188, Sixty-fifth Congress, first session, became a law August 10, 1917, and as introduced by Mr. Lever and as it passed the House, contained in section 4 of said bill the following paragraph:

That whenever the Secretary of Agriculture shall find that there is or may be a special need in any restricted area for seeds, suitable for the production of food or feed crops, he is authorized to purchase, grow, or otherwise procure such seed, to store them, and to furnish them, by sale or otherwise, to farmers on credit or other terms at cost, including the expense of packing and transportation.

The foregoing provision did not become a law. The provision was modified in the Senate as is found in the act which became a law in section 3 thereof, which is as follows:

That whenever the Secretary of Agriculture shall find that there is or may be a special need in any restricted area for seeds, suitable for the production of food or feed crops, he is authorized to purchase or contract with persons to grow such seeds, to store them, and to furnish them to farmers for cash, at cost, including the expense of packing and transportation.

For myself I was greatly disappointed that the Senate amended this bill limiting the Secretary of Agriculture in furnishing seed for farmers to sell for cash only. That, in my judgment, was a very grave mistake. I thought so then. Time has confirmed my original view.

The object of the law is expressed in its title, "An act to provide further for the national security and defense by stimulating agriculture and facilitating the distribution of agricultural products. The food-control act, which was a companion measure to the food-survey act, was "An act to provide further for the national security and defense by encouraging the production, conserving the supply, and controlling the

distribution of food products and fuel." No one can read the titles to these bills without being impressed with the idea that one of the chief purposes of these bills was to stimulate and encourage the production of food products. This could be accomplished chiefly by two ways, namely, by increasing the acreage planted and by enlarging the yield per acre. In sections of the country where the farmers have had good crops there would be no demand for the Secretary of Agriculture to furnish seed to the farmers, either for cash or on credit. But it would be altogether different in any section of the country where there had been a failure of crops and where the farmers would not have the seed nor the cash to pay therefor, and could not command the credit necessary to purchase a sufficient amount of seed.

When the food-control bill was before the House I sought to have it amended so as to provide an ample fund to enable the Secretary of Agriculture to furnish the farmer seeds on credit. With this in view, as shown by the CONGRESSIONAL RECORD of June 22, 1917, page 4426, temporary binding, I offered the following amendment:

That, as a further means of stimulating the production of necessities, the President, in his discretion, is hereby authorized to loan to the farmers of the United States, through such governmental agencies as he shall direct, a sum of money not to exceed \$50,000,000, upon such terms, conditions, and security, and at such rates of interest, as he shall prescribe, and which, in his judgment, shall be necessary to assure an adequate supply thereof, and the sum of \$50,000,000, or so much thereof as may be necessary, is hereby appropriated, out of any funds in the Treasury not otherwise appropriated, and to be available immediately.

That amendment was ruled out of order. Whether that ruling was correct or not, it was certainly unfortunate that some provision was not made, either in the food-survey bill or in the food-control bill, whereby the farmers of the United States in drouth-stricken regions could not have been furnished seeds on credit at a low rate of interest.

It should be borne in mind that the Secretary of Agriculture already has a fund of \$2,500,000 which he may use as a revolving fund in furnishing seeds to farmers for cash. This would appear to be ample capital for use of the Secretary of Agriculture so long as he does a seed business on a cash basis. I doubt the advisability of increasing the capital for this purpose when it appears to be ample already.

Furthermore, to increase the appropriation of funds to be used by the Secretary of Agriculture in selling seeds to the farmers for cash seems to be a species of deception to the farmers of the country. The word has gone forth that the appropriation to aid the farmers in purchasing seed is to be increased from \$2,500,000 to \$6,500,000. This is held out as a great favor to the farmers. But I do not so regard it. A farmer who can pay the Secretary of Agriculture cash for seed can pay cash to any dealer or any owner for such seeds. The poor farmer who has neither cash nor credit can not deal with the Secretary of Agriculture. The rich farmer, who has the cash, or who has credit, can purchase his seed from the Secretary of Agriculture. We are therefore helping the farmers who need no help, and we are refusing aid to those who need it. This is a wrong principle.

Mr. SHERLEY. Will the gentleman yield?

Mr. MORGAN. I will.

Mr. SHERLEY. I understand the gentleman wants to strike out this appropriation?

Mr. MORGAN. No, sir; not if I can get it properly amended; but I do not regard it of much value to the farmers or as a means of increasing food production. I do not want to be severe, but I look upon this proposition to sell seeds to farmers for cash as a proposition wholly without merit. When we sell for cash, we are doing no more than any dealer will do.

Mr. SHERLEY. Oh, well, does not the gentleman know it is not sold for cash alone but also at cost. That is not what the profiteer would do. [Applause.]

Mr. MORGAN. Well, there might be a slight advantage there, but the advantage will go only to rich and well-to-do farmers who do not need it. More than that, the Secretary must go into the market and buy his seeds from dealers; he must pay the market price; dealers can buy them as cheap as he can. The farmers will save little through purchasing from the Secretary.

I do not want to be critical, but, in my honest judgment, this provision is worthless to the farmers of the United States. Now, I think my amendment is in order. If it is adopted it would perhaps save all of this \$4,000,000, and it should be saved unless it can be used in some way that would benefit the farmers of the United States, who need the help, not the rich farmers, not the farmers who have the cash to pay, but the farmers who are poor and needy. Last season out in western Kansas, Nebraska, and Oklahoma the farmers wanted seed wheat. Their wheat had been a failure. They had no seed. They had

no money. The local banks had not the means to finance them. Seeding a wheat crop is an expensive proposition. The Secretary of Agriculture could not help them. He could sell only for cash. For months our farmers were appealing for help. So today, in the spring-wheat States, the farmers in many localities have not the cash to buy seed wheat. We know the need of an increased production of wheat in 1918. But the National Government refuses to help these farmers to secure seed on credit. It is a mistake. It is poor policy. If the farmers of the winter-wheat States could have purchased seed wheat on credit last fall, millions of additional acres of wheat would now be growing in the fields. If the Federal Government will now furnish the farmers in the spring-wheat States seed wheat on terms or credit, the acreage in wheat will be largely increased and millions of additional bushels of wheat will be produced.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SHERLEY. Mr. Chairman, I make the point of order on the amendment.

The CHAIRMAN. The point of order is sustained, and the question is on the amendment offered by the gentleman from Iowa.

The question was taken, and the amendment was rejected.

Mr. MONDELL. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Wyoming offers an amendment, which the Clerk will report.

The Clerk read as follows:

Mr. MONDELL offers the following amendment: Page 76, line 3, after the comma, strike out the figures "\$4,000,000" and insert in lieu thereof "\$3,999,000, and the seeds purchased hereunder may be sold for cash at cost or on credit with approved security of responsible organization guaranteeing repayment and assuming the expense of distributing the seeds amongst the farmers."

Mr. SHERLEY. Mr. Chairman, I make the point of order on that.

Mr. GOOD. Mr. Chairman, I wish to be heard on the point of order. I am opposed to the amendment; but a few minutes ago, when this act of August 10, 1917, was discussed, I find I was in error when I made the statement that the provisions of this appropriation, providing that it shall be used as a revolving fund until June 30, 1918, were in order. Now, if the gentleman from Kentucky [Mr. SHERLEY] will look at the act—

Mr. SHERLEY. Mr. Chairman, all debate except on the point of order is ended.

Mr. GOOD. I am talking about the point of order.

Mr. SHERLEY. Well, all right. I did not so understand the gentleman.

Mr. GOOD. The act of August 10, 1917, provides in section 3 that—

Whenever the Secretary of Agriculture shall find there is or may be a special need in any restricted area for seed suitable for the production of food or feed crops, he is authorized to contract with persons to grow such seeds, to store them, and to furnish them to farmers for cash, at a cost including the expense of packing and transportation.

That ends the provision so far as the permanent law is concerned. Now, the gentleman from Kentucky [Mr. SHERLEY] referred to section 8 of the same act, but section 8 was an appropriation and enlarged the provision of law found in section 3. It enlarged the provisions of section 3 and it died with that provision. Is it possible that if this Congress should pass an appropriation unauthorized, or add to an appropriation and use language by which we enlarged existing law, that in all succeeding Congresses it would be in order to offer appropriations carrying the enlarged provisions? Nowhere in the permanent law is there a provision for a revolving fund, but when the Congress considered that appropriation later on it added to the provisions of section 3. So when we put in this provision, which may be used as a revolving fund until June 30, 1918, we did enlarge upon the provisions of the act to which I have referred. The provisions, so far as they refer to that act, were only for that fund and for no other fund, for that specific appropriation, and that appropriation went further than the provisions of the law giving the Secretary of Agriculture the right to create this fund and to purchase these seeds. I suggest, therefore, to the Chair that the whole provision that we have been discussing is subject to a point of order and, being subject to a point of order and the point not having been made, the amendment offered by the gentleman from Wyoming is in order.

Mr. MONDELL. Mr. Chairman, the argument made by the gentleman from Iowa [Mr. Good] is sound; but, further, the amendment is not subject to a point of order, because it comes clearly under the Holman rule. I offered an amendment a short time ago which came under the Holman rule, under some rather extreme decisions that have been rendered under that rule, decisions that I have not approved, but decisions which would have warranted a favorable decision on the amendment I then offered. I did not urge them because I think there is danger of

going far afield under the Holman rule. The gentleman from Kentucky [Mr. SHERLEY] objected to that amendment, because while I did reduce the amount carried in the bill the additional language did not relate directly to the reduction and did not of itself retrench expenditure.

Now, if the chairman will listen to me, I will point out to him the difference between that amendment and this one.

This amendment comes under the Holman rule, first, because it actually reduces the amount of money in this bill; second, because it reduces expenditures under the bill by providing that when these seeds are sold on credit they are to be upon the security of organizations that guarantee the repayment and bear the expense of distributing the seeds. Clearly my amendment not only reduces the amount of money carried in the bill, but it would further retrench expenditures whenever the seeds were sold on credit. If the seeds are sold for cash, matters would stand as they now do in the bill; but if they were sold on credit there would be a retrenchment of expenditures, because the department would be relieved of the expense of distributing the seeds. The organizations I have in mind and have proposed are organizations in the county seats, let us say, of the counties, of farmers and bankers, of stockmen and business men, who guarantee repayment, and who themselves take the responsibility of seeing that the seeds are distributed.

The CHAIRMAN. Will the gentleman permit a question there?

Mr. MONDELL. Yes.

The CHAIRMAN. If no provision was made for the seeds to be sold on credit and there could be no retrenchments?

Mr. MONDELL. If no—

The CHAIRMAN. In other words, your amendment provides only for retrenchment in case they are sold on credit?

Mr. MONDELL. Yes. That part of my amendment which reduces the amount brings it under the Holman rule. The balance follows and is connected with it and in itself reduces expenditures.

As a matter of fact, the amendment as I offered it would be in order if it did not reduce the appropriation carried in the bill a dollar, because the additional provision in itself would retrench expenditures by providing that if these seeds were sold on credit they must be sold on the credit of an organization which would distribute the seeds. That would reduce expenditures by shifting the work of distribution of the seeds. It is clearly not subject to a point of order.

The CHAIRMAN. Does the gentleman from Kentucky desire to be heard?

Mr. SHERLEY. Just a word. There are two positions taken by the two distinguished gentlemen. One is that the original paragraph being subject to a point of order, and no point of order having been made against it, any amendment germane to it is in order. The answer to that is a denial of the premises, and I deny that the original proposition as contained in the bill is subject to a point of order.

Mr. MONDELL. I do not take that attitude.

Mr. SHERLEY. The language of the law on which all of this is based is found not only in paragraph 3, but in the so-called food-survey law in its entirety. In section 8 there is a provision carrying \$2,500,000 as a revolving fund for the fiscal year 1918.

Now, the gentleman from Iowa temporarily forgot that this is a deficiency bill to supply additional money where moneys already supplied are not sufficient. To say that where \$2,500,000 were supplied as a revolving fund for this purpose it would not be in order to increase for the same purpose as a revolving sum that amount is simply to say that no deficiency is in order on a deficiency bill.

Now, touching the argument of the distinguished gentleman from Wyoming—

Mr. GOOD. Mr. Chairman, will the gentleman yield right there?

Mr. SHERLEY. Certainly.

Mr. GOOD. Then, following that line of argument, I suppose the gentleman would say that the words of the provision here which provides for a revolving fund are surplusage, and the money can be used as a revolving fund as a deficiency under that?

Mr. SHERLEY. Whether surplusage or not, they do not change or enlarge the scope of the previous appropriation at all.

Now, touching the point made by the distinguished gentleman from Wyoming [Mr. MONDELL], the language of his amendment is this: He reduces the appropriation by \$1,000 instead of \$1, and then provides that "the seed purchased hereunder may be sold for cash at cost or on credit with approved security of responsible organizations guaranteeing repayment and assuming the expense of distributing the seeds among the farmers," and then he makes this assumption, that inasmuch as he provides for

securing the value of the seeds that are sold on credit, he is thereby safeguarding the Treasury. That would be true if—

Mr. MONDELL. I did not understand the gentleman's statement.

Mr. SHERLEY. That would be true if we were now going to sell on credit without any safeguarding, but in point of fact we are not going to sell on credit at all. The mistake which the gentleman falls into is in assuming that the reduction of an appropriation in any amount is sufficient to enable you to put in any legislative provision you want under the Holman rule, whereas, as I stated a while ago to another occupant of the Chair on another amendment offered by the gentleman, this is the real rule and should be borne in mind, that to come within the Holman rule the language which is submitted and which is a change of existing law must of itself be such as to result in a reduction of expenditure.

Mr. MONDELL. And that is exactly what my amendment does.

Mr. SHERLEY. No. The reduction of expenditures comes by virtue of reducing the amount, but not by virtue of the legislation you tack on afterwards, and that is a distinction that is as wide as a barn door.

Mr. MONDELL. I beg the gentleman's pardon. That is exactly what it does do. There is to be no loan unless there is to be a saving to the Treasury through distribution by the organizations that guarantee the loans. Surely there is a saving there.

Mr. SHERLEY. No. The saving that comes to the Treasury, if any, comes—and, of course, in point of fact, there would not be—but assuming that—

Mr. MONDELL. The gentleman would not say that the distribution of the seeds would not cost the Government anything?

Mr. SHERLEY. Under the paragraph as originally presented \$4,000,000 was appropriated. Under it as proposed by the gentleman there is to be \$3,999,000 appropriated. That is the extent of the saving. All your limitation after that has nothing to do with the saving.

Mr. MONDELL. On the contrary, Mr. Chairman, if the Chair will allow me, the item would be in order. In my opinion, if there was not a reduction in the amount of the appropriation, because of itself it contemplates a retrenchment in expenditures. The law now provides for the sale of these seeds for cash. There is a change of law authorizing their sale on credit, and providing they are sold on credit with the security of organizations that not only guarantee the return of the money, but assume all of the expense of distributing the seed. In other words instead of the Secretary going to the expense of distributing \$10,000 worth of seed among 500 farmers, this association assumes all that cost. There is a retrenchment, clearly a retrenchment. We have organizations in our country that do that very thing. They guarantee the repayment from the farmers, distribute the seeds among them, and collect the money.

The CHAIRMAN. The point of order is sustained. The Clerk will read.

The Clerk read as follows:

Commercial attachés. To enable the Secretary of Commerce, in his discretion and in accordance with such regulations as he may prescribe, to make special allowances during the balance of the present fiscal year by way of additional compensation to officers and employees of the commercial attaché service, in order to adjust their official income to the ascertained cost of living at the posts to which they may be assigned, \$9,000.

Mr. FLOOD. Mr. Chairman, I reserve a point of order on the paragraph.

The CHAIRMAN. The gentleman from Virginia reserves a point of order on the paragraph.

Mr. FLOOD. Mr. Chairman, I would like to ask how many commercial attachés we have?

Mr. SHERLEY. There are 11, I think.

Mr. FLOOD. What salaries do they get?

Mr. GREEN of Iowa. Does not the distinguished gentleman, the chairman of the Committee on Foreign Affairs, know?

Mr. SHERLEY. The one at Buenos Aires gets \$8,000; the one at Copenhagen, \$5,000; at Lima, \$4,500; London, \$5,000; Melbourne, \$4,500; Paris, \$5,000; Petrograd, \$6,000; Peking, \$6,000; Rio de Janeiro, \$5,000; Tokio, \$5,000; The Hague, \$3,500.

Mr. FLOOD. I suppose this item is to supplement the salary of those 11 officers.

Mr. SHERLEY. It is to do for these men exactly what we did for the gentlemen attached to the diplomatic and consular offices of the Government abroad, after consulting with the representatives of those departments.

Mr. FLOOD. I think it is very proper, owing to the increased cost of living and the high price of exchange, to make this allowance, and I shall not make the point of order, though the item is subject to a point of order, as the gentleman from Kentucky

will admit. But I do not think that these attachés ought to be under the supervision and control of the Department of Commerce. It results in a duplication of work and in a lessening of the value that these attachés would otherwise be to the commerce of this country. At the proper time I want to make a suggestion to the House with reference to this matter and show that our entire foreign service should be under one department of the Government, and that the State Department, the branch of our Government through which the United States speaks in its relations with other governments.

Mr. ROGERS. Will the gentleman yield?

Mr. FLOOD. I will.

Mr. ROGERS. Has the gentleman any information as to how the salaries of the State Department officers with respect to post allowances compare with the salaries of these commercial attachés, as just read by the gentleman from Kentucky?

Mr. FLOOD. I do not know, because I do not know what post allowances were given to the Department of Commerce for the benefit of these attachés for the other part of this year; that is, the part of the fiscal year other than that which is to run between now and the 1st of July. Can the gentleman from Kentucky tell us if this is the first post allowance that they have had?

Mr. SHERLEY. This is the first allowance that has been made to these commercial attachés.

Mr. FLOOD. I do not think it would be as large a per cent as the Diplomatic and Consular representatives received under the post-allowance fund of the Diplomatic and Consular appropriation bill.

Mr. ROGERS. Is it not probably true that the salaries of these commercial attachés are higher than the salaries of the officers in the State Department, whom the State Department think it is necessary to aid by giving them a post allowance?

Mr. FLOOD. Oh, yes; very much higher. I do not think there are any diplomatic and consular officers who get this post allowance who have as large salaries as some of these commercial attachés.

Mr. SHERLEY. There are 10 clerks in addition to these 11 attachés.

Mr. FLOOD. They get \$1,500 a year.

Mr. ROGERS. Is this \$9,000 apportioned among the clerks as well as the attachés?

Mr. SHERLEY. That is as I understand it.

Mr. ROGERS. The appropriation for the force of commercial attachés is \$100,000, is it not?

Mr. SHERLEY. I think that is correct.

Mr. FLOOD. It is \$100,000.

Mr. ROGERS. Is a portion of that sum expended for expenses of the officers themselves?

Mr. SHERLEY. For office rent, traveling expenses, and so forth.

Mr. ROGERS. But not for living expenses in any case?

Mr. SHERLEY. No, sir.

Mr. FLOOD. These attachés should be a part of our foreign service under the jurisdiction and control of the Secretary of State. This has been so ever since they were created and is more so now than ever, and will become more so than now after the war is over and our tremendously developed commercial interests have to be fostered and protected.

Here are 11 foreign agents, and there should be more of them, who should be the commercial experts of our embassies and legations and important advisers of the Secretary of State, owing their appointments and making their reports, without any reference to the embassies and legations or the Secretary of State, but to a department of the Government which should confine its activities to our domestic commerce.

The war has changed the entire nature of the functions to be performed by the Department of State and the Department of Commerce in relation to foreign trade and brought it back to what it was intended to be by the founders of our Government.

Owing to the necessarily close relationship between the commercial and political questions involved in international trade few transactions of importance in a governmental way are concluded independently of the direct or indirect aid of the Department of State.

The entire export and import trade of the country is under the control of the War Trade Board, the chairman of which, the Hon. Vance C. McCormick, is the representative of the Secretary of State on that board.

The action of that body is creating day by day conditions that must be dealt with by the Department of State through the diplomatic corps in Washington and through our embassies, legations, and consulates abroad. The most important and necessary treatment of these questions is diplomatic and a function of the State Department, and can not be otherwise. Anyone who has any dealings with these matters must understand this.

It is generally conceded that the free play of economic forces after the war will lead to economic disturbances and in many places to economic failure. These conditions will apply to foreign countries all over the world and will call for the intervention of the Department of State and under its direction of the diplomatic and consular offices in foreign countries.

The problems of international commerce have ceased to be, and will probably not again for many years be primarily functions of a domestic department of the Government. Each and everyone will henceforth, as it is now, be interwoven with the political relations of the United States with foreign nations.

It seems important, therefore, first, that the Department of State should be enlarged to meet the requirements of the changed conditions, and to make it possible to give adequate and intelligent attention to the political interests of the United States in future international relations and to the problems of individual Americans, and to give adequate and expert attention to all commercial questions having a political bearing.

We already have an administrative organization in the department, and political divisions, charged with the duty of studying and dealing with the political relations of the United States and foreign nations, but we have not a sufficient provision for handling the commercial functions with which that department will of necessity be charged after the war ends. This provision should be made and this need supplied. We should begin by transferring these attachés to the Department of State and coordinating all of our foreign activities.

Germany, Austria, France, Italy, and Great Britain have been for months making careful preparations for trade after the war. In Great Britain several officers are studying Austria, others are studying the Balkan States and the Ottoman Empire, Italy, Russia, and other States in the most exhaustive manner.

The United States should act promptly in this matter through the State Department under its Bureau of Trade Advisors, to which end it should greatly increase and enlarge this bureau, and enable it to do this work so that America and Americans will not neglect the opportunities that will come to us after the war.

Second, the foreign agents of the United States must be placed under the control of the department of Government through which the United States speaks in its relations with other nations.

We have heretofore had a body of agents abroad representing various departments—Treasury, War, Navy, Agriculture, Commerce, and Labor. The agents of the War, Navy, and Labor Departments have been attached to, and, in most cases, have not conflicted with, the embassies, legations, and consulates. The agents of the Treasury and Agriculture have, as a rule, not been attached to diplomatic and consular offices, and the results have not, as I am informed, been very satisfactory.

The commercial attachés of the Department of Commerce, while attached to the embassies and legations, have of necessity had to deal with subjects which were interwoven with the daily work of the embassies and legations, and conflicts of jurisdiction and opinion have been unavoidable. I believe they have resulted in confusion and trouble; overlapping of functions, and duplications of work have been frequent. I learn that attachés have often been engaged upon work which might better have been done by consuls, when other work of the embassies of the highest commercial importance remained undone because of the lack of control of the attaché on the part of the ambassador. On the other hand, attachés have sent home political reports not through the State Department, and of which, I presume, the Secretary of State had no knowledge.

A divided control of activity in the foreign field ought no longer be permitted, because successful relations, political and commercial, require concentrated, systematic effort, which can be secured by having only one directing force at home. This is the course followed by Great Britain, France, Japan, Germany, and other great commercial countries.

Each embassy, legation, and consulate should be made a center of activity not only for gathering information and administering American laws but also for making the local people understand the ideals, motives, abilities, and resources of the United States.

The commercial attaché should be the commercial expert of the embassy or legation dealing with matters of important commercial policy and tendency, the adviser of the ambassador on all commercial subjects, and the aid of the Secretary of State in averting governmental activities of a commercial nature unfavorable to the United States. No commercial attaché can be made of much value except he be made the spokesman of the ambassador, and no head of an embassy will assume responsibility for members of the embassy staff who are not under his

own direction and that of the department of which he is a member.

The CHAIRMAN. The point of order is withdrawn, and the Clerk will read.

The Clerk read as follows:

Military research: To enable the Bureau of Standards to cooperate with the War and Navy Departments by providing the scientific assistance necessary in the development of instruments, devices, and materials, and the standardization and testing of supplies, including personal services and rental of quarters in the District of Columbia and elsewhere; the erection of temporary structures; books of reference and periodicals; and all other necessary items not included in the foregoing, \$250,000, to continue available during the fiscal year 1919.

Mr. TOWNER. Mr. Chairman, I desire to call the attention of the House to the exceedingly valuable services that are being rendered by the Bureau of Standards. I think there is no other bureau of the Government that is now rendering any more valuable service to the Government in the war preparations than is the Bureau of Standards. It would not be possible for me now to take the time to call the attention of the House to the many ways in which the Bureau of Standards has been assisting in the war work. As an illustration, let me call attention to what they have been doing in aid of aero construction, the determination of standards and types, and the general work of preparing our air service. Their assistance has been exceedingly valuable in almost every stage of the work. In the developments and modifications that have been made of the liberty motor, and especially in the development of the materials that are to be used in the manufacture of aircraft, the Bureau of Standards has rendered invaluable service. It was supposed that mahogany was the only wood which could be used for the construction of propeller blades. By the work of the Bureau of Standards the fact has been developed that a good many of our native woods may be used, upon proper tests, so that we shall have no difficulty in finding within the confines of our own country all the necessary materials for that purpose. It was supposed that nothing except linen could be used for the covering of the wings. It has been determined by experiments made by the Bureau of Standards that cotton may be made almost, if not entirely, equal to linen for this purpose if properly prepared. So I might call attention to a great many things that the Bureau of Standards is doing.

If this appropriation is made, it will enable the Bureau of Standards to cooperate with the War and Navy Departments in their work in many regards.

Mr. Chairman, the whole subject of the bringing together of the various forces of the Government in our war work is, of course, now of pressing and vital importance. So many propositions have been placed before the people and before Congress for the reorganization of the various departments, for their consolidation, for the taking away from the President of his power as Chief Executive of the United States and as Commander in Chief of our Armies and Navies—a proposition which I think is absolutely unconstitutional—that this subject of the bringing together of the executive powers of the Nation and of all our industrial and productive forces to the prosecution of the war is, of course, primarily and immediately the great duty of Congress. That subject I desire to discuss somewhat in detail.

A WAR CABINET.

Mr. Chairman, the proposal to establish by act of Congress a superior war council or war cabinet to direct the war is so revolutionary and would effect such a radical departure from our present constitutional system as to demand most serious consideration. It is my belief, first, that the proposition in the form presented is unconstitutional; second, that it is unnecessary and unwise.

EXECUTIVE POWER OF THE PRESIDENT.

The Constitution provides, Article XI, section 1, paragraph 1: The executive power shall be vested in a President.

The President is the sole possessor of what the Constitution describes as the executive power. Congress may confer upon heads of departments, upon Secretaries whom we denominate members of the President's Cabinet, certain administrative and executive duties, but these are recognized as being subordinate to the supreme power of the President, and are to be exercised under his direction and control.

Thus in the act of Congress establishing the War Department it is provided:

The Secretary of War shall perform such duties as shall from time to time be enjoined on or intrusted to him by the President relative to military commissions, the military forces, the warlike stores of the United States, or to other matters respecting military affairs; and he shall conduct the business of the department in such manner as the President shall direct.

In the act establishing the Department of the Navy it is provided:

The Secretary of the Navy shall execute such orders as he shall receive from the President relative to the procurement of naval stores and materials, and the construction, armament, equipment, and employment of vessels of war, as well as all other matters connected with the Naval Establishment.

It will be observed that in these grants of power to the heads of departments Congress has been careful not to impinge in the slightest degree upon the supreme executive authority of the President. The Secretary of War shall perform such duties as the President shall intrust to him, and in the manner the President shall direct. The Secretary of the Navy shall execute such orders as he shall receive from the President.

The heads of the departments are thus made the assistants, the aids of the President. They are not granted original or plenary power. To the various departments are committed the several kinds of administrative activities. But Congress has never sought to divest the President of his supreme executive authority or to confer upon any individual, or department, or "Cabinet" any part of the constitutional executive prerogatives. Congress may say, and does say, that to a certain department shall be committed the consideration of a certain class of related administrative matters, and as the aid and assistant of the President, who is the sole source of the executive authority and the final arbiter of all executive controversies, the head of such department may exercise certain subordinate executive functions. But Congress has never sought to confer supreme or original executive authority upon any individual, or department, or "Cabinet."

Congress has created from time to time, as they were needed, the executive departments of the Government. It has transferred part of the functions of one department to another. It has taken parts from several existing departments and committed such parts to a new department which it created. All this is necessary and proper. Indeed, it is the accepted and orderly procedure, which has never been contested or challenged.

But the proposition now engaging public attention is far different. It assumes that Congress has the control and management of the executive functions of the Government, which the Constitution has committed to the President, and without changing the Constitution it proposes to divest the President of a large part of his executive authority and confer it upon a new body unknown to our Constitution and hitherto unknown to our laws. It also proposes to divest the President of his control of the heads of departments and confer such control upon the new "superior war cabinet."

The Constitution does not provide for a cabinet. It refers to "executive departments," and assigns duties to the "heads of departments." It also gives the President authority to require of these "heads of departments" "opinions in writing." Thus inferentially the Constitution recognizes the exercise of subordinate executive functions by the "heads of departments." But Executive authority is not conferred upon them. It is exercised in subordination to and under the direction of the President, upon whom alone all Executive power is conferred. The Constitution also recognized the advisory duties of the heads of departments, and in this capacity that they shall constitute what we term the President's Cabinet. But that in still larger measure is dependent on the President for its existence and activity. The heads of departments may or may not be the President's advisers. The President is not obliged to consult them. If he asks for their advice and they give it, he is not compelled to follow their advice. He may consult them when he desires so to do, and only then. He is compelled to hold no Cabinet meetings, and he may consult with any one or any number, or all of his Cabinet, as he shall determine. He is not limited to the members of the Cabinet for his advisers; he may consult with anyone he chooses, and he may act on such advice as against the advice of the entire Cabinet if he shall so determine.

The supremacy of the President in the exercise of Executive authority over any power that can be conferred by Congress on heads of departments or others has been many times upheld by the courts. Thus it was held in *Wilcox v. Jackson* (13 Pet., 498), that the President speaks and acts through the heads of departments in reference to the business committed to them. To the same effect is *United States v. Cutler* (2 Curt., C. Cls., 617); *Lockington v. Smith* (Pet., C. Cls., 466). Congress may impose independent duties upon heads of departments when not repugnant and only to the extent that they are not repugnant to the supreme executive authority conferred by the Constitution on the President. (*Kendall v. United States*, 12 Pet., 524.)

Cooley, in his great work on constitutional limitations, says:

There would be this clear limitation upon the power of the legislature to prescribe rules for the executive department; that they must not be such as under pretense of regulation divest the Executive of, or

preclude his exercising any of his constitutional prerogatives or powers. Those matters which the Constitution specifically confides to him the legislature can not directly or indirectly take from his control.

It would be within the jurisdiction of Congress to withdraw powers already conferred upon the head of a department. It could confer upon any or all of them additional powers subordinate to the President. But it can not under the guise of coordinating executive powers grant to a body which it creates powers superior to the powers of the President or take from him any of the powers conferred upon him by the Constitution.

POWERS OF THE PRESIDENT AS COMMANDER IN CHIEF.

The Constitution provides, Article XI, section 2, paragraph 1: The President shall be Commander in Chief of the Army and Navy of the United States.

The directness and simplicity of this provision of the Constitution leaves nothing to speculation or conjecture. On the President is conferred all the powers of control and direction of both the Army and Navy. Congress may declare war, but the President wages war. Congress may "raise and support armies," it may "provide and maintain a navy," but it can not command them. The power of the President as supreme commander is independent and absolute.

Mr. Chief Justice Chase well and clearly expressed the line of demarcation between the powers of the President and of Congress in military affairs in *Ex parte Milligan* (4 Wall., 2):

Congress has the power not only to raise and support and govern armies but to declare war. It has, therefore, the power to provide by law for carrying on war. This power necessarily extends to all legislation essential to the prosecution of war with vigor and success, except such as interferes with the command of forces and the conduct of campaigns. That power and duty belong to the President as Commander in Chief. The power to make the necessary laws is in Congress; the power to execute is in the President. Both powers imply many subordinate and auxiliary powers. Each includes all authority essential to its due exercise. But neither can the President, in war more than in peace, intrude upon the proper authority of Congress nor Congress upon the proper authority of the President. Both are servants of the people, whose will is expressed in the fundamental law.

Mr. Willoughby, in his late work on the Constitution, says:

Through or under the orders of the President all military operations in times of peace as well as of war are conducted. He has within his control the disposition of troops, the direction of vessels of war, and the planning and execution of campaigns.

With Congress lies the authority to lay down the rules governing the organization and maintenance of the military forces, the determination of their number, the fixing of the manner in which they shall be armed and equipped, the establishment of forts, hospitals, arsenals, etc., and the voting of appropriations for all military purposes.

To the same effect speaks Von Holst in his work on constitutional law:

In war the entire technical direction of affairs is incumbent upon the President. Congress has only to decide whether there shall be war and what means it will grant the President with which to conduct the war; but how the war declared by Congress shall be conducted by the means granted by it is the exclusive affair of the President. Congress may criticize, may express wishes, may pass resolutions, but it can prescribe absolutely nothing to the President, even though his acts and omissions be fraught with political consequences of the most pre-eminent importance.

It was held in *Swain v. United States* (28 C. Cls., 173) that the constitutional power of the President to command the Army and Navy and that of Congress "to make rules for the government and regulation of the land and naval forces" are distinct. Congress can not by rules and regulations impair the authority of the President as Commander in Chief.

SUPREME AUTHORITY CAN NOT BE GIVEN A WAR CABINET.

It is proposed and earnestly advocated in the press and elsewhere to establish a "superior war council," to which shall be committed the conduct of the war. It is to be above the Cabinet, and to it is to be committed much of the power of the President. There is need, it is said, of a central control in order to secure unity of action. To secure this the control now vested in the President and his Cabinet is to be transferred to the new "war cabinet," and the President is to be "relieved" of most of his powers as Commander in Chief of the Army and Navy. Legislation is proposed to create a "war cabinet" to be composed of "three distinguished citizens of demonstrated executive ability." This "war cabinet" shall have authority to "consider, devise, and formulate plans and policies, general and special, for the effectual conduct and vigorous prosecution of the war." It is also given authority "to direct and procure the execution of the same." It is also given power to "direct and control" all "executive departments, officials, and agencies of the Government" in so far as may be necessary, in its judgment, "for the effectual conduct and vigorous prosecution of the existing war." By this simple procedure the President and Cabinet are relegated to the rear and the "war cabinet" is to assume supreme command.

It would seem that the mere statement of the scheme would show how impossible it would be of enactment or of operation.

The proposal is to create an executive body which shall have supreme executive authority. The Constitution provides: "The executive power shall be vested in a President." The proposal is to give authority to the newly created "war cabinet" to formulate "plans and policies" to carry on the war, and "to direct and procure the execution of the same." The Constitution provides: "The President shall be Commander in Chief of the Army and Navy." The proposal is to give the "war cabinet" power to "direct and control" all the executive departments. The Supreme Court of the United States declares that the President speaks and acts through the heads of departments. It is declared that in order to secure a "central control" and unity of action the conduct of the war should be committed to three persons rather than to one. Justice Story in his Commentaries on the Constitution says:

Of all the cases and concerns of government, the direction of war most peculiarly demands those qualities which distinguish the exercise of power by a single hand. Unity of plan, promptitude, activity, and decision are indispensable to success, and these can scarcely exist except where a single magistrate is intrusted exclusively with the power. Even the coupling of the authority of an executive council with him in the exercise of such powers enfeebles the system, divides the responsibility, and not infrequently defeats every energetic measure.

It is entirely unnecessary to quote this apt and authoritative statement in order to convince the American people of the excellence of their present constitutional system. The history of the Nation throughout 129 years of eventful and glorious experience under it is a sufficient answer to the proposal that it should now be revolutionized and overthrown. It does not need technical knowledge nor even a particular study of our fundamental law to show that the proposition both in spirit and letter is unconstitutional. The avowed purpose, the central idea of the proposal, is in contravention of the Constitution. In its provisions and by its terms it violates the Constitution. As suggested by the press and as proposed in legislation it is unconstitutional.

A "NEW WAR CABINET" UNNECESSARY.

Never before has any serious attempt been made to substitute a new cabinet to control the present Cabinet. Never before has it been proposed to take from the President the direct control of the heads of departments. If merely a change in the personnel of the present Cabinet is desired, that can be secured without creating a new body. It is proposed that the President shall appoint the new cabinet; he may change the present one. He may dismiss peremptorily any or all of his present Cabinet and appoint any whom he may select to fill their places. It is entirely unnecessary, therefore, to create a new Cabinet because of dissatisfaction with the personnel of the present Cabinet.

I have endeavored to show that Congress has no power to usurp or transfer the prerogatives of the President as Commander in Chief of the Army and Navy. Under existing conditions the President, as Commander in Chief, may be and should be in constant communication and consultation with the General Staff and the war chiefs of both the Army and Navy, as well as with the heads of those departments. He is thus placed in close touch with the technical war work—the planning of campaigns, the movements of troops and ships, the assignment of units, and all those matters which he must consider as Supreme Commander of the Nation's forces on land and sea. The relation for consultation and advice between the President and the Army and Navy is maintained by direct contact between the President and the General Staff and the heads of military departments. To attempt to create an intermediary body which shall be given power to control and direct both the operations of the Army and Navy, and the activities of the departments is clearly unconstitutional. It is also unwise and unnecessary.

NEW DEPARTMENTS.

The tremendous expansion of the activities of the Government occasioned by the war demands a corresponding enlargement of governmental machinery. Our present system provides for such enlargement without changing our form of government. Whenever the growth of the Nation and the increase of governmental activities have required we have created new departments of the Government. We started with 3, we now have 10. Departments have been added from time to time to keep pace with the development of the country. Additions are made whenever the existing machinery is inadequate to meet the increased requirements for effective administration. In this way the demands of 100,000,000 people have been as easily and satisfactorily met as were the demands of 3,000,000. In this way not only ordinary requirements but extraordinary requirements can be satisfied without violating the Constitution or abandoning our normal and safe procedure. If because of the war our governmental activities have so increased that the present departments can not satisfactorily and with the desired efficiency meet existing de-

mands, new departments should be added. These new departments need not be continued for longer than the war, if they shall be no longer required. There is no reason why, being established to meet an emergency, they should not be abolished when the emergency shall cease to exist.

A DEPARTMENT OF TRANSPORTATION.

There should be established a department of transportation, with a Secretary, who shall be a member of the President's Cabinet. Perhaps such legislation should not be enacted at this time, because of the President's action in taking over the railroads and the appointment of a director. But conditions thus created are necessarily temporary and legislation will soon be required. The immense importance of transportation by land and sea and the intimate relation it has with all governmental activities in the prosecution of the war require that the chief of this great branch of the Government service shall be the head of a department with the necessary authority and a seat in the Cabinet.

It would appear that the time has come when the department of transportation should be established, not only to meet the demands occasioned by the war but as a permanent departmental establishment of the Government. Transportation, including steam and electric railways, conveying both passengers and freight; steamboat and barge traffic in our rivers, lakes, and canals; shipping of all kinds, engaged in both the coastwise trade and in foreign commerce, requires coordination and governmental supervision and control of the highest character and with power and responsibility such as can only be obtained by placing such supervision and control in a department of the Government. If the railroads should be returned at the close of the war to their former status, their relation to the Government which will have been established during the war will be so close and the responsibilities which will have been assumed by the Government so large as to require a separate department. If Government ownership, in whole or in part, shall be instituted at the close of the war, the demand for departmental control will be imperative. In any event, it is time the United States should do as other great nations have done—make transportation one of the great administrative departments of the Government.

DEPARTMENT OF MUNITIONS.

There also should be established a department of munitions, with a secretary who shall be a member of the President's Cabinet. This department should be established at once, and should go out of existence at the close of the war. There are at least two reasons why the present departments have been found inadequate to meet expectations and secure the degree of celerity and efficiency demanded by the present crisis. One reason is that the requirements for increased service have been so tremendous that the present organization of the departments have been overwhelmed with the pressure. We have been so confident in our fancied security that no preparations for a large Military Establishment have been made. Neither have we even gone so far as to provide for an enlargement to meet a possible contingency or a great emergency. For this all parties, all Government officials, and the people themselves are responsible.

To meet the unexpected and unprepared-for emergency the administration has put forth its utmost efforts. It has a really creditable record of accomplishment when the defects of the system are considered. The blame, if blame is merited, attached because of a failure to realize the inadequacy of our present system to meet the emergency and a want of readiness to admit that deficiency and to take prompt and effectual measures to remedy the defect. It will not help matters, however, to propose and insist on unconstitutional methods of remedy. Neither shall we accomplish what we all desire—a reorganization that will secure efficiency—if we merely protest and complain. Constructive criticism is of value, but mere faultfinding will not help, but harm.

The other reason for the failure to reach expectations is that we have not realized that preparation for war is of two kinds, one military and the other pure business; and that to commit the business of preparation to military men is as unfortunate as it would be to commit military operations to business men. In peace times it was possible to leave the organization and management of our Military Establishment in the hands exclusively of the officers of the Army and Navy. Among them could be found men with sufficient business capacity to care for the limited business concerns of the departments. But when war came and with it the demand for the speedy arming and equipment of millions of men, the business part of the organizations grew to such enormous proportions as to be beyond the capacity of the officers to properly and expeditiously handle. They were not educated for business, they were educated for war. They had selected military not business careers. They had been commis-

sioned because of military ability, not because of business capacity. Some of them have developed unexpected business facility, but there is not enough of those thus endowed. It has been found that the undertaking is too large for the equipment.

How large that undertaking is we have been slow to realize. To fully clothe and equip 2,000,000 men for modern warfare, to send them 3,000 miles across the sea, and to maintain them there till victory shall come is a task never before even contemplated by any nation in the world. To accomplish it will require the organized and mobilized productive and industrial capacity of all our 100,000,000 of people. We must bring production to an unprecedented volume in every line of agriculture, of mining, and of manufacture. We must bring all our transportation systems under a unified and nationalized control. We must tender to the Government the entire activities of the country, systematized and made effective, if we would win the war.

Great Britain faced the same problem when it was called to war. It found that its military establishment was not organized to carry on successfully the military and at the same time the business work of the war. Early it separated these great branches of war work, leaving to the military establishment the work of caring for purely military matters, and transferring to a new department the purely business portions of preparation and support. It created a new place in the cabinet and established the ministry of munitions. Under Mr. Lloyd-George, who was appointed head of the new department, the productive and industrial forces of the nation were organized for war, and almost from the day when this was done efficiency and accomplishment were secured. What has been accomplished in Great Britain under their present system has been not only satisfactory, it has excited the wonder and admiration of the world.

What Great Britain has done we should do. Her difficulty then is our difficulty now. The remedy she applied we should use. Fortunately such action would be in exact accordance with our constitutional system. We have established new departments in the past whenever needed. That time has come now. Such action will effect no disruption of our system. It need occasion no delay. It will allow our War and Navy Departments to give their entire energies to securing men and ships, to train the men and man the ships, to transport troops and arms and ammunition and supplies across the seas, to plan campaigns, and to develop the military policies and operations which shall most speedily bring us victory and a lasting peace. Most of the activities of both the Army and Navy Departments are now devoted to hunting for sources of supply, to making contracts, to arranging for transportation and deliveries, to discussing prices, and other purely business transactions. Under the new system it would only be necessary for the War and Navy Departments to make their requisitions, and the business of securing the arms and ammunition according to the plans and specifications and at the time and place specified would be given the department of munitions, a purely business organization composed of business men.

DEPARTMENT OF WAR SUPPLIES.

There should be established a department of war supplies, with a secretary, who shall be a member of the President's Cabinet. This department should be established at once, and should go out of existence at the close of the war. To this department should be committed the procurement for the Army and Navy on requisitions therefor all classes of war supplies other than those included under the term munitions, including food, feed, fuel, medical and surgical stores, uniforms, tentage, barrack utensils, autos and trucks, horses and mules, and all other supplies of that class.

Under the authority of the Council of National Defense numerous independent boards have been created, to which have been committed many of the war activities. These boards have no power to contract or to bind either the producers or the Government. They are advisory only, and their action is subject to the approval or disapproval of the department. These independent boards, composed in large part of persons serving without salary, have rendered in most instances patriotic and valuable service. They have been, however, a serious impediment to efficiency and expedition. Their service has been at times clouded with the charge of self-interest. They are manifestly a temporary expedient, and the time has come when they should be eliminated. The men who have served on them, who have demonstrated their ability and fitness, should be made the heads of bureaus in appropriate departments and be given authority commensurate with the importance of their work.

Thus within the jurisdiction of the department of transportation should be placed the Interstate Commerce Commission, the Shipping Board, the committee on shipping, the Emergency Fleet Corporation, the Board to Determine Priority in Transportation, and the coordinating committee on exportation.

To the department of munitions should be given jurisdiction now exercised by the War Industries Board, the Munitions Standards Board, the Aircraft Board, and the Advisory Committee for Aeronautics.

To the department of war supplies should be committed the Food Administration, the Fuel Administration, the War Trade Board, the committee on supplies, the committee on raw materials, and all the so-called purchasing committees of the Council of National Defense.

In this way, and in this way only, as I believe, can coordination of the war activities of the Government be obtained. To secure efficiency, expedition, and economy of expenditures there must be authority and responsibility. The prevention of duplication of work is important. The bidding against each other of the departments and bureaus should not be allowed to continue. The necessity of the immediate abandonment by the departments of red tape, circumlocution, and unnecessary routine is apparent to all. The kaleidoscopic changes that are almost daily bulletined from the War Department are none of them calculated to cure these evils. Efforts made by the department to eliminate, as far as possible, red-tape methods will undoubtedly help. But the great necessity, and the one the department seems unwilling even to consider, is that the department be relieved of the purchasing business. This for some unaccountable reason it is unwilling to relinquish. It would seem as if the officers who compose the personnel of the department would be glad to be relieved of the embarrassing duties for which they are so illy fitted and in the performance of which no credit can attach to them. It would appear that being educated for the purpose they would desire to devote their attention to purely military problems and be relieved from business routine and office drudgery. It might be expected that their desire would be for active service in the field where their qualifications fit them to serve with distinction and where now they are so much needed. When the demand for officers educated to train recruits for service and to command troops in the field is so great and the supply is so small it is difficult to justify holding West Point graduates to positions as office clerks, in the performance of purely business transactions.

With the organization of the new departments for war service the war cabinet so earnestly desired may be secured. With the President at its head, it would consist of the Secretary of War, the Secretary of the Navy, the secretary of transportation, the secretary of munitions, and the secretary of war supplies. With the absorption by the new departments of the present independent boards practically all the war activities would be represented in such a war cabinet. Meeting daily, as do the European war cabinets, all the work essential to progress could be considered and correlated. Unity of action, speed in accomplishment, and effectiveness in execution would thus be made possible. The Constitution is not violated under this method of reorganization. The President is not deprived of his power. The War and Navy Departments would be strengthened for real war work, and the heads of these departments could give to the greater problems of the war the consideration necessary and which is impossible while they are burdened with duties others can better perform. Big men, in whom the Nation would have confidence, could thus be given the great work of carrying on the war and could be placed in closer relationship for conference and advice with the President. The reorganization necessary would be very moderate. As compared with the changes in administration methods and personnel that have taken place in other countries engaged in the war, it would be inconsiderable. Entire reorganizations of the cabinets of Great Britain, Germany, France, Austria-Hungary, and Italy have occurred many times during the war. They have made without hesitation the changes found necessary to meet the increased demands of Government work occasioned by the war. We should not wait until failure to meet the extraordinary demands by existing machinery shall lead us to more drastic and dangerous measures.

I have endeavored to show that an attempt to deprive the President of his constitutional powers as the head of the executive departments of the Nation and as Commander in Chief of the Army and Navy is unconstitutional and unwise.

I have tried to point out that the creation of a war cabinet as an independent body is practically impossible, and that by the creation of the three new war departments of transportation, munitions, and war supplies, and the appointment of "three distinguished citizens of demonstrated executive ability" as the heads of these departments, together with the Secretaries of War and the Navy, would give the President a war cabinet, as a natural consequence and on a constitutional basis.

I have sought to show that this proposition is not revolutionary, will not be a mere experiment, and need cause no embarrassment to the President or to the departments affected by

the proposed changes. Above all, that it will cause no delay and will assist and facilitate the great work of carrying on the war.

It is only necessary further to say that whatever the machinery provided, that whoever may be called to the Nation's service, even if the action taken be considered unwise, and even if we believe the persons in service inefficient, our duty is done when we use our best endeavor to correct what we believe to be the defect. If suggestions are not followed, if the remedies advocated are not adopted, we are not thereby relieved from doing all that we can to support the prosecution of the war with the men and the measures which are provided. It would be unfortunate if honest endeavors to correct defects were unavailing. But it would be still more unfortunate if because such advice is not taken any one should either remain indifferent or in opposition to the vigorous prosecution of the war. That object should be and remain our supreme desire and duty whatever the means provided and whoever shall remain in or be called to the service of the Government.

Mr. BORLAND. Mr. Chairman, I move to amend by striking out, in line 8, page 77, the words "personal services and."

The CHAIRMAN. The gentleman from Missouri offers an amendment which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BORLAND: Page 77, line 8, after the word "including" strike out the words "personal services and."

Mr. BORLAND. Mr. Chairman, this bill contains a great many provisions for increases of the clerical forces. I do not intend to offer to this appropriation bill any amendment in regard to the hours of service in the departments, because it is a deficiency bill and, of course, temporary in its character. But the fact that it does provide for so many increases in the clerical force simply accentuates the unfortunate situation in which we have gotten in employing a large number of people for a short day's work and attempting to provide office space and housing for that excessive number.

Now, in this particular paragraph these personal services are probably more imperative than any other paragraph in this bill. I simply want to call attention to the fact that the way, in my judgment, to remedy the evil of an excessive number of employees in Washington is, if a resolution comes before the House to provide for a general increase and classification of salaries for the employees, to provide in that resolution for the increase of the working hours from seven hours to the standard eight-hour day.

If that is not done it will be necessary to append the amendment to each appropriation bill as it comes through the House. In order that there may not be any sidestepping of the eight-hour proposition I intend to offer it to every appropriation bill as it goes through the House. I hope the amendment will remain in the Agricultural appropriation bill as it has gone through the House and receive the approval of the Senate.

It seems that this simple business proposition has produced a great deal of bitterness in the District of Columbia. One Herostatos undertook to acquire fame by burning down the temple of Diana at Ephesus, but he failed to acquire fame. That man was a piker. He ought to come to Washington and attempt to change the hours of Government clerks to eight hours a day, and, he would acquire fame enough to last him for the rest of his life. [Laughter.] Strange to say, that simple business proposition, which receives the assent of every assemblage of American citizens outside of the District of Columbia, has produced intense bitterness in the District, and I regret that exceedingly.

Mr. MORGAN. Will the gentleman yield?

Mr. BORLAND. Yes.

Mr. MORGAN. I have some protests by some organizations against the gentleman's proposition. I understood the gentleman to say that it met with universal approval.

Mr. BORLAND. Yes; there is a propaganda operating from Washington to get organizations throughout the country to send protests to Senators and Representatives. I have received some of those protests, and I have answered them in this way: I have telegraphed each one "You are jeopardizing your own just claims for consideration in Congress by interfering in a matter of the greatest discrimination and injustice in the District of Columbia." That is the only answer to be given them, and when they look into the matter they will conclude, as the organizations in my district have, not to help perpetuate the abuse of a short day in the District of Columbia.

As I say, the proposal has stirred up a great deal of bitterness in the District, and I regret it; but that does not change my opinion of the legislative power or the legislative duty of Congress to correct the abuse. It does seem to me that it is an imperative thing during the extreme shortage of labor all over the country, when we are bringing thousands of young

people here as we are in this bill, to attempt to perform Government service in the District of Columbia, and thereby increase the shortage of labor of the business men and the farmers throughout the country, making it more difficult for them to speed up, making it more difficult for them to produce supplies for the Army, making it more difficult for people to pay taxes which are exacted of them; when we are doing that we must look well to these appropriations for personal services in the District of Columbia. Mr. Chairman, I withdraw my amendment, and I ask leave to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. MORGAN, by unanimous consent, was given leave to extend his remarks in the RECORD.

Mr. SMITH of Michigan. Mr. Chairman, I move to strike out the last word, and I ask to proceed for a few minutes out of order. Yesterday in my mail came a remarkable letter, which I think is worthy of mention in the Halls of Congress of the United States and also of being called to the attention of the country. I live in the city of Charlotte, Mich. It is a city of 5,800 inhabitants. Of course we are all proud of our home towns, our district, our State, and our country. I have lived there for 50 years, all of my active life, and while there has been a great change there have been no conditions like the present times from many standpoints. That city readily purchased its share of liberty bonds. It subscribed nearly double the amount of its allotment. It has subscribed liberally to the Red Cross, the Young Men's Christian Association, and all over the city are active workers in the prosecution of the war.

Recently they were asked to subscribe to the war savings and thrift stamps. They have two splendid organizations in the city—the commercial club and the community association—both composed of active, determined business men, well united. When the call went out by the Secretary of the Treasury of the United States to sell \$2,000,000,000 worth of these stamps a survey was made of the town; it was divided into small districts and two persons appointed in each district to look after the sale of these stamps. And I am pleased to say here upon the floor of this House, in the Congress of the United States, the greatest in the world, that every man, woman, and child in that city purchased a war stamp or a thrift stamp. [Applause.] We are all proud of that up in our city. That was splendid; but may I particularly mention the fact that Charlotte, Mich., was the first city in the United States where every citizen—man, woman, and child—purchased a liberty stamp under this call. [Applause.] It proves not only that the patriotism of that city is 100 per cent but it also proves that the people residing in that splendid little city are alive to the work in hand; that they are doing their share to win the war; that they not only subscribe their funds but gave of their time and ability to this work. After their plans were perfected within three days every man, woman, and child had their names down on the list and opposite the name was the number and amount of the stamps purchased by that individual.

Mr. MOORE of Pennsylvania. This is a remarkable circumstance which the gentleman is relating. Where did this occur?

Mr. SMITH of Michigan. At Charlotte, Mich. That city is also remarkable in its citizenry. It has only two colored families. They are highly respected and good citizens. There is only one Chinaman. He said at first that he would not buy a stamp for 25 cents. When asked why he said, "Me pay \$5." And he paid the five.

Mr. TREADWAY. May I ask if that Chinaman is naturalized?

Mr. SMITH of Michigan. No; but he is naturalized enough to put up his money, which is not done by some in other cities who are naturalized and who ought to do it. [Applause.] Then there is one Italian. The rest are splendid American citizens, working together harmoniously and industriously to do their part to win the war.

The work is going on. The determination and resolution shown in that city is illustrative of the district I represent. I say for my district, and I say for the State of Michigan, that not only did we meet our share of the liberty loan of \$2,000,000,000, but we also oversubscribed the liberty loan of \$5,000,000,000, and we will pass on to the next liberty loan, and the next, as long as the necessity of the war requires it. We are ready to do the work in hand, whatever is necessary in defending our country, our homes, and our honor. [Applause.]

The Clerk read as follows:

Gauge standardization: To provide by cooperation of the Bureau of Standards, the War Department, the Navy Department, and the Council of National Defense, for the standardization and testing of the standard gauges, screw threads, and standards required in manufacturing throughout the United States, and to calibrate and test such standard gauges, screw threads, and standards, including necessary equipment, rental in Washington, and elsewhere, erection of temporary

structures, offices expenses, books of reference and periodicals, personal services in the District of Columbia, and in the field, and all other necessary items not included in the foregoing, \$75,000.

Mr. TREADWAY. Mr. Chairman, I move to strike out the last word. In line 22 I see the words—

and standards required in manufacturing throughout the United States.

Does that refer directly to the standards employed by the War and Navy Departments, or in general manufacturing? It seems a very broad term. I am aware that at the beginning of the war we were very short of standard gauges for all kinds of necessary war equipment, but it does not seem to me that that phraseology would directly apply to this deficiency. Therefore I would like to inquire whether it is expected that it would apply directly to War and Navy needs, and also whether it is looking toward the establishment of a sort of bureau and storehouse for these gauges for future use?

Mr. SHERLEY. No; it is looking to the standardization of the gauges used in connection with war needs. They have a master gauge that is made the basis of measurement for the others. It is not with the idea of having any great supply of jigs, gauges, and dies out there.

Mr. TREADWAY. But it is intended to have a master gauge that could be kept indefinitely.

Mr. SHERLEY. Yes.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word. Is there not a typographical error in line 2, page 78? Should not that word "officers" be "office"?

Mr. SHERLEY. Yes. I move to amend, in line 2, page 78, by striking out the word "officers" and inserting the word "office."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 78, line 2, strike out the word "officers" and insert in lieu thereof the word "office."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The Clerk read as follows:

Public utility companies: To enable the Bureau of Standards to make investigations urgently needed by public utility companies in order to improve their efficiency and adjust their methods of operation to meet the changed economic conditions incident to the war, and to aid State and municipal administrative officers and the management of publicly owned utilities in adjusting standards of service when necessary to meet present conditions, including personal services in the District of Columbia and in the field, \$50,000, to continue available during the fiscal year 1919.

Mr. TREADWAY. Mr. Chairman, I move to strike out the last word. Is not a good deal of the work designated here to come under the Bureau of Standards being handled at the present time under investigations of the Department of Labor?

Mr. SHERLEY. Nothing of this sort at all. This is to make certain investigations touching the manufacture of gas, so as to save some by-products for the use of the Government in making explosives. Gas in many localities is now manufactured of a different quality from what was used in time of peace, and that is done in order to save a larger amount of by-products that there is a scarcity of needed in the manufacture of explosives. This is to further study and help in that work.

Mr. ROBBINS. Mr. Chairman, I move to strike out the last word in order to ask a question. In line 7, on page 78, there is a provision for testing and investigating the use of scales and mine cars used for weighing and measuring coal dug by miners. In western Pennsylvania that is done by the Bureau of Mines located in Pittsburgh, where they have a large building containing a laboratory and a number of experts who do that work. Is it proposed to remove that work from Pittsburgh, where it is near the mines and where every person can have access without travel expenses, down here to Washington to the Bureau of Standards?

Mr. SHERLEY. No; it is not proposed to do any such thing. It is to send out and test mine scales which they have found in many instances to be defective.

Mr. ROBBINS. The provision is all right, and it ought to be carried, but the thought that strikes me there is that it would be duplicating the work that the Bureau of Mines in Pittsburgh is doing for the bituminous-coal region in western Pennsylvania.

Mr. SHERLEY. No. It is proposed to test the scales where they are.

Mr. ROBBINS. That is exactly what they do from the Bureau of Mines at Pittsburgh. They send out a man wherever there is a complaint made and they test the scales.

Mr. SHERLEY. The statement was made before the committee that they have discovered a great deal of false weighing, and that the purpose of this money was to enable the bureau to cooperate with the States in establishing standard

weights by which the State governments could test the various scales used in their respective States, and it serves to decentralize and take from the Federal Government and put where it belongs on the State government the doing of this highly important work.

The Clerk read as follows:

DEPARTMENT OF LABOR.

To enable the Secretary of Labor to advance to wage earners transportation to such places as may be deemed necessary for the purpose of securing employment in connection with the prosecution of the war, \$250,000, which may be used as a revolving fund until June 30, 1918: *Provided*, That advances hereunder shall be so made as to insure the return to the Treasury of sums so advanced: *Provided further*, That an accounting shall be kept of the operations under this paragraph which shall include as to each person transported the following: Name, vocation, starting point and destination, shipyard, factory, or other place for which transported, and amount of advance made.

Mr. STAFFORD. Mr. Chairman, I reserve the point of order on the paragraph just read. I wish to inquire of the chairman of the committee whether it is proposed under this authorization to advance money to laborers in general regardless of whether they are to be employed by the Government or whether it is to be limited to a class or extended to all laborers who may in any way be employed in advancing the Government's interests?

Mr. SHERLEY. It is my understanding it is not limited in the sense that they are to be employed directly by the Government, but it is expected to be used only in those cases where the employment is necessary in connection with work done for the Government in the prosecution of the war, and that it is a war measure, seeking to deal with an acute situation that now confronts the country. The gentleman will recall that the other day, in speaking in general debate, I called attention to the fact of how there had been congested in certain States three-fourths of all war contracts and in one State—the State of New York—one-fourth of them. Now, that of necessity has resulted in a tremendous need of laborers in certain localities way beyond the power of those localities to furnish, and the testimony clearly showed the needs of some governmental action being taken looking to help the men who were unemployed to go to places where employment waited them and where their labor was much needed in order to carry on activities in connection with the war.

Mr. STAFFORD. Has any plan been evolved by the Department of Labor as to the method of securing the return of the funds advanced as provided by this paragraph?

Mr. SHERLEY. The detail of it has not been worked out. The bureau dealing with this particular matter has recently been organized and enlarged, and the suggestions contained herein were the suggestions which originated with the subcommittee dealing with the bill and were put there with the idea of safeguarding as far as possible the expenditure of this money.

Mr. STAFFORD. I withdraw the pro forma amendment.

Mr. BANKHEAD. Mr. Chairman, I move to strike out the last word, and ask unanimous consent to proceed out of order for five minutes.

The CHAIRMAN. The gentleman from Alabama asks unanimous consent to proceed out of order for five minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. BANKHEAD. Mr. Chairman and gentlemen of the House, I desire to call the attention of Members who are interested in the subject of farm labor to an anonymous letter I received from a senior student at the Alabama Polytechnic Institute a few days ago, which to my mind presents a rather practical suggestion along this line. I realize that it has no place under the provisions of the pending legislation, and probably can not under any circumstance come within the purview of congressional action, yet it is a matter that I think ought properly be called to the attention of the House. In my time I read the letter:

AUBURN, ALA., February 2, 1918.

Hon. WM. B. BANKHEAD,
Washington, D. C.

DEAR SIR: Complying to your letter of request, beg to say that at this critical moment and needy time for more food, warrants the best efforts of all Americans who can produce anything for the table or for feeding live stock, which means a table necessity in the end.

There are many young men who are still in the colleges and universities of the United States that have not yet been rushed to the "colors." In view of the fact that the seniors will have gotten all the fundamentals by April 1, I believe there should be a provision made allowing these institutions to graduate the senior classes April 1, provided these men will sign pledges to go home and engage in farming, or they may be employed by the Government to engage in some emergency food-producing activity. I feel that this pledge should be signed for at least 10 weeks from April 1. Owing to the great conflict that is pending between the great nations of the world, I believe the food production within the United States this season determines the destiny of this and the allied countries.

We are interested in the success of our country, first of all, to such extent as to be willing to make any sacrifice necessary to win in the great struggle that is now pending, because we believe that we are

right. Yes; we are willing to help feed our soldiers who are in the trenches or elsewhere, even though we do it at a sacrifice at any cost.

I am a member of senior class, Alabama Polytechnic Institute, Auburn, Ala., finishing in four departments June 12. My home is in your district—

Here is one of the things which impressed me about this letter—

I am 36 years of age, but my heart and my interest is for this country. Yes; I can plow a mule or two mules this season if it will tide this country over a tottering bridge.

May we note any provision leading to this end?

Respectfully,

A MEMBER OF SENIOR CLASS,
ALABAMA POLYTECHNIC INSTITUTE,
Auburn, Ala.

Now, gentlemen, I do not know how it is in other States, but in the State of Alabama we not only have a very fine agricultural and mechanical college, with an attendance of some 1,000 or 1,500 students, but also in each congressional district there is a district agricultural school with a large number of students. And one of the suggestions made here, in view of the fact that the students who attend these agricultural schools in Alabama are, as a matter of fact, boys who have been reared upon farms and who have practical actual knowledge of farm labor and farm conditions, if some means could be devised, even by suggestion, to the presidents of these institutions in the different States by the Members of Congress, although it would not aggregate a very enormous number of farm laborers, yet it would amount, indeed, to several thousand of the most efficient and best young men of the country who might sign a pledge to work from April 1 for 10 weeks or longer, providing they were allowed to be graduated at their colleges, to go home and render most efficient and splendid service by filling up in some measure at least the shortage in farm labor. [Applause.]

Mr. SMITH of Michigan. Mr. Chairman, I ask unanimous consent to extend and revise my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan? [After a pause.] The Chair hears none.

Mr. SHERLEY. Mr. Chairman, I ask unanimous consent that we may return to page 48, and that lines 21 to 25, page 48, lines 1 to 25, page 49, lines 1 to 8, on page 50, all inclusive, may be restored to the bill for the consideration of the committee. On Saturday the point of order was made to these provisions.

The CHAIRMAN. The gentleman from Kentucky asks unanimous consent to return to pages 48, 49, and 50, to restore the language contained in lines 21 to 25, on page 48, line 1 to 25, on page 49, and lines 1 to 8, on page 50. Is there objection?

Mr. CLARK of Florida. Reserving the right to object, Mr. Chairman, I want to state that I made the point of order on Saturday against these two items because they were clearly subject to the point of order, and it was so held by the Chair, but I want to state to the committee that the Committee on Public Buildings and Grounds on Saturday considered it and to-day considered it again, and we are clearly of that opinion and the House seemed to be of that opinion. We have made the point of order, Mr. Chairman, purely and solely for the purpose of attempting to preserve the jurisdiction which the rules of the House has given us, believing that those rules ought to be maintained and preserved where jurisdiction is clearly defined, but understanding that this matter has already been gone through with by the Committee on Appropriations, and having been appealed to by those interested as to its urgency, knowing, of course, that a reference of the items now to our committee may delay the matter, although we could, of course, dispose of it in a very few days, but there would have to be another appropriation bill brought in to carry it out, and in order not to stand in the way we have decided that we will not press the objection.

I want to say this, however, Mr. Chairman, that this is not to be considered as any precedent whatever. We are not intending to concede in the slightest degree that we have not full and complete jurisdiction over the subject matter, and I want to give notice that hereafter we shall certainly insist on points of order against items of this character. I do not think, and our committee does not think, that it is any effort on the part of anybody to reach out and take jurisdiction that does not belong to them. The trouble is that these department officials get up a lot of data when they want certain legislation, and in order to run along the shortest route, as they take it, go to the Appropriations Committee, and file this data, which ought to go to some other committee. And it seems to me the whole House ought to be interested in preserving the jurisdiction of the respective committees and let these department officials and everybody else understand that they must go in the orderly way, to the proper committees in the House, in

order to get legislation which they think is advisable and proper.

Mr. GREEN of Iowa. Will the gentleman yield?

Mr. CLARK of Florida. Yes.

Mr. GREEN of Iowa. Did the gentleman's committee go into the merits of this proposition? It seems to me, from what I will have to admit is a cursory examination, that this appropriation is to be used for buildings not good enough for permanent buildings.

Mr. CLARK of Florida. I will state to the gentleman that our committee has not examined into the question at all. We have never considered it from any point except the question of jurisdiction. All the data and all the facts have been placed before the Committee on Appropriations. Those gentlemen have investigated it, and for any information about it the gentleman will have to apply to them. I know nothing about the merits of the proposition.

Mr. GREEN of Iowa. Here are \$8,000,000 to be spent on temporary buildings, built of reinforced concrete, which, of course, will have to have heavy foundations and all that. They can be built for much less and answer the purpose.

Mr. CLARK of Florida. I will say to the gentleman that we have already spent over \$2,000,000 on buildings of the same character and for the same purpose.

I want to make this remark in passing. Last year when these buildings on Sixth Street were contemplated the representatives of the War and Navy Departments stated to the Public Buildings Commission that they wanted 700,000 square feet of space to take care of the overflow of the two departments; that they had made a careful survey, and that space would answer their purposes. We gave them one million and some fifty-odd thousand square feet, and before that building was completed and occupied the same gentlemen are back to Congress asking for appropriations of over \$8,000,000 for two and one-half million square feet additional to the million square feet in the first building. Now, as I say, that probably is needed.

Mr. CAMPBELL of Kansas. Will the gentleman yield?

Mr. CLARK of Florida. In just a moment.

I hardly think the Appropriations Committee would have consented to have it go in the bill unless it was needed, but it shows these gentlemen who make calculations as to what space is needed have made a sad mistake in this instance, to say the least of it. They have not made the careful surveys that somebody ought to have made.

Now I yield to the gentleman from Kansas.

Mr. CAMPBELL of Kansas. Did not the gentleman's committee take up the question with any of the departments interested in order to ascertain the number of employees that are to be provided for as covered by this item?

Mr. CLARK of Florida. No, sir.

Mr. CAMPBELL of Kansas. You have not had any information?

Mr. CLARK of Florida. We have not investigated it at all, because it has not been before our committee.

Mr. CAMPBELL of Kansas. I notice there is nothing in the hearings as to the total. I presume the Committee on Appropriations was satisfied informally as to the necessity for the item. There is nothing in the hearings about it.

Mr. CLARK of Florida. I suppose the chairman of the Appropriations Committee could give the gentleman that information. We have made no investigation at all.

I just want to say in conclusion, Mr. Chairman, that this is in the nature of notice that we are going to consent and not raise any objection to this, because it has progressed as far as it has, and we do not care to obstruct; but hereafter we intend to insist strictly on our rights under the rules of the House.

The CHAIRMAN. Is there objection?

Mr. LENROOT. Mr. Chairman, reserving the right to object, I would like to ask the gentleman from Florida a question. The gentleman speaks about 1,000,000 square feet having been provided. Were those for temporary quarters?

Mr. CLARK of Florida. They were understood to be such.

Mr. LENROOT. What was the cost of that 1,000,000 square feet?

Mr. CLARK of Florida. Something over \$2,000,000.

Mr. COOPER of Wisconsin. Mr. Chairman, reserving the right to object, I take it that there is no one in the House, on either side of the center aisle, that wishes to delay unnecessarily for one moment the enactment of legislation that will tend legitimately to the prosecution of this war. I know that I shall not press any point of order, although one would lie against this provision. But in view of the great amount of money that is asked for, \$8,152,500 in two lump-sum appropria-

tions—one of \$5,775,000 and one of \$2,377,500—one sum to be turned over to the Secretary of the Navy, to be spent under his supervision nominally, although, as a matter of fact, it will be impossible for him to give personal supervision to the expenditure; and the other sum to be turned over to the Secretary of War, to be expended under his supervision nominally, although, as a matter of fact, we all know that he is so occupied with the enormous demands of his office that he can not give these expenditures his personal supervision. And after all that by way of parenthesis, I add this: That we ought to insist before we vote this through that there be a demonstration before this Chamber of the necessity of such an enormous expenditure for temporary buildings.

Last summer, as the House will recall, there was quite a spirited debate on the proposal made in the bill which was then in charge of the gentleman from New York, now not a Member of the House, Mr. Fitzgerald, for \$2,000,000 with which to put up temporary frame buildings. I thought that \$2,000,000 worth of lumber put into temporary buildings would cover all the vacant space, practically, that there is in the city of Washington; but they expended it all, and now they want only the modest sum of \$8,000,000 additional for temporary structures, making in the aggregate approximately \$10,500,000 for temporary structures.

Now, the conditions prescribed in the lines included within the motion of the gentleman from Kentucky [Mr. SHERLEY], the distinguished chairman of the committee, are very general in their character. They mention only the area of the buildings, with very little more. They define their location with reasonable precision, but practically \$8,000,000 is turned over to the discretion of two men, and neither of them can give the expenditure his undivided attention or anything approaching his undivided attention.

Now, relying upon the judgment of my friend from Kentucky, the members of the committee—and, by the way, I do not understand that the full Committee on Appropriations took this testimony. It seems so from the record, which tends to show that the testimony was taken only by a subcommittee of five; and I notice, in looking through the list of the names of the subcommittee, the name of one whom I have hardly seen here at all since January. That leaves but four, and all of these facts together make it necessary, I think, that as cautious legislators we should require full and detailed statements, which will demonstrate the necessity for an appropriation like this for temporary buildings.

Mr. ROBBINS. Mr. Chairman, will the gentleman permit a question before he takes his seat?

Mr. COOPER of Wisconsin. Certainly.

Mr. ROBBINS. I understand these temporary buildings that were authorized down on the old Pennsylvania Depot square, or depot site, were increased beyond a million feet beyond what Congress authorized. Is that true or not?

Mr. COOPER of Wisconsin. I do not know.

Mr. ROBBINS. What is the necessity of using this park and cutting down those trees when there is a wide space between here and the Union Station with no trees on it? The parks should be used in connection with the beautifying of the city of Washington.

Mr. LENROOT. Mr. Chairman, I reserve a point of order, and I think before that matter is settled the committee is entitled to know what information the members of the committee can give to the House as to the necessity of this appropriation.

Mr. SHERLEY. There is no desire on the part of anybody to take snap judgment of the House. I assumed that instead of now undertaking to debate the matter on request the debate would come up naturally in the discussion of the restored paragraphs.

Mr. LENROOT. If the point is not reserved, and the committee is not able to give the fullest information desired, it would not be the fault of the committee.

Mr. SHERLEY. The gentleman misunderstood my request. I did not request that the matter be considered in the bill in the sense of having been approved by the Committee of the Whole. I suggested that it be restored to the bill for the consideration of the Committee of the Whole. I do not want to mislead the gentleman. If my request should be acquiesced in, it would result in putting the matter into the bill for the consideration of the committee.

Mr. CAMPBELL of Kansas. Beyond the point of order?

Mr. SHERLEY. With the idea that the point of order would not be made. There is no use in doing a foolish thing. The point of order has been made. The idea was to put the provisions in for consideration. It would be in order to strike out or amend, or anything else.

Mr. LENROOT. I would like to have some information as to what the million square feet cost, and why this should cost so much more.

Mr. SHERLEY. I made a very full statement to the House in my opening statement, and I am more than willing to do it again. As a matter of convenience, I will take the floor now.

Mr. LENROOT. Very well. If the gentleman can give the information, I will withdraw my point of order.

Mr. SHERLEY. I have enough responsibilities. If I can not demonstrate to this House the merits of the proposition, it ought to go out.

Mr. LENROOT. I have no objection.

Mr. Sisson. Mr. Chairman, I feel that this statement should be made in view of the understanding I have had, representing the Committee on Appropriations, with the gentleman from Florida [Mr. Clark], the chairman of the Committee on Public Buildings and Grounds. It might not be amiss to make a short statement as to how this matter got into the appropriation bill at all.

As was suggested by the gentleman from Wisconsin a moment ago, there was quite a little controversy over the building at Sixth Street, on a part of the Mall, which, I believe, is about completed—on the square where the old Pennsylvania depot used to be. At that time the subcommittee was requested to take this matter up on account of the very urgency of the need of space for clerks. The matter was taken up at that time by the chairman of the Committee on Appropriations with the chairman of the Committee on Public Buildings and Grounds, with the idea that if they had no objection to its being considered in our committee, that committee could have a hearing and report a bill which would then be in order on the appropriation bill, and not delay the matter. The chairman of the Committee on Public Buildings and Grounds and the chairman of the Committee on Appropriations, each representing his respective committee, agreed that it would be better to put it, as an urgent matter, in the urgent deficiency bill. Buildings of that character had been carried prior to that as urgent deficiencies.

Now this subcommittee on deficiencies has been called upon to begin the erection of some permanent buildings not authorized by law. Your subcommittee and the full committee declined to consider the matter at all, on the ground that our jurisdiction would only be limited to this item, on account of its great urgency. Technically we have no jurisdiction of the matter, even under that state of the record, but in view of the pressing need and the necessity of making provision for the thousands of clerks that are being assembled and brought to Washington with no place for them at present in which to work in the various offices, this necessity was represented to the committee, and there was no understanding at that time between the respective committees as to these items. It was my understanding—not the understanding of the chairman of the Committee on Appropriations, nor did any member of the committee understand it that way—but it was my understanding that as to these temporary buildings they might be considered as urgent deficiency items and cared for by items in the bill.

Now, in addition to all of that matter, there was a commission that had to be consulted. Your subcommittee not only consulted among themselves and with the full committee, but we consulted with the members of the Senate who had handled this matter, consulted with the Superintendent of the Capitol Building and Grounds, and consulted with the gentleman who has charge of public buildings in the War, State, and Navy Building, and had them all there. All the propositions were presented to the committee; and one or more trips were made by your subcommittee, and one trip with the representatives of the Senate, with those two respective architects representing the two departments of the Government, and after quite a good deal of delay we thrashed out all of the differences. That accounts for this item being in the bill. If it should be considered and passed by the Committee on Public Buildings and Grounds, it would then have to come to the Committee on Appropriations for the appropriation.

So this in no sense of the word can be considered as any precedent for the Appropriations Committee taking jurisdiction of public buildings.

Mr. CAMPBELL of Kansas. What I have been particularly interested in is the showing that was made to the committee as to the necessity for housing this large number of additional employees.

Mr. Sisson. I was not intending to go into that feature at this time.

Mr. CAMPBELL of Kansas. That is the important feature.

Mr. Sisson. I was simply carrying out an agreement which I had with the chairman of the Committee on Public Buildings and Grounds that this statement should be made by me, so that

it might not be considered as being any precedent or any waiver of jurisdiction on the part of the Committee on Public Buildings and Grounds for this committee to consider items of this kind. Your subcommittee and your full committee realized thoroughly that we have no jurisdiction of these matters, and I have no doubt that from the chairman of the Committee on Appropriations clear on down through the entire committee we would have been delighted to wash our hands of this entire matter and let the Public Buildings and Grounds Committee handle it and fix it so that the appropriation might be made.

Mr. TREADWAY. Will the gentleman yield?

Mr. Sisson. Certainly.

Mr. TREADWAY. I understood the gentleman from Mississippi to state that he consulted with two architects, representing the War and Navy Departments.

Mr. Sisson. No; with Mr. Woods, Superintendent of the Capitol Building and Grounds, who has certain buildings and grounds under his jurisdiction, and who is, by the way, a member of this building commission, as well as Col. Ridley, of the State, War, and Navy Building, who is the superintendent of those buildings and grounds.

Mr. TREADWAY. Then I misunderstood the gentleman about the two architects?

Mr. Sisson. Those are the two men. Mr. Woods is an architect, and Col. Ridley also. I did not mean any outside architects.

Mr. TREADWAY. I was endeavoring to find out a little more in detail along the line of the inquiry I made a few days ago—has the committee seen any plans and specifications, so as to know on what method the contracts were to be let?

Mr. Sisson. All our consultation was with officials of the Government.

Mr. WHEELER. I wish to know whether the department recommends reinforced concrete; and if so, why is it necessary to have that material for a temporary building?

Mr. SHERLEY. If the gentleman will permit, I think we can get at this whole matter very much more orderly when we get to the consideration of the merits of it.

But, answering now the gentleman's inquiry, the reinforced-concrete proposal came before the committee as the result of two suggestions—one made by the War Department for a concrete building down near Henry Park and one from the Navy Department, who desired a concrete building for themselves. But the determination rested finally with the committee, and was based on the fact that the difference in cost between concrete and frame was not sufficient in our judgment to make worth while the taking of the risk to life and property involved in further housing people in wooden structures.

Mr. WHEELER. Will these buildings be fireproof?

Mr. SHERLEY. Yes; the concrete will not only be fireproof, but will be as permanent as time, if you want to leave these buildings. They are spoken of as temporary, not with the idea that they will soon wear out, but simply with the idea that these are not the places that would be selected for permanent buildings in the sense that that term is used ordinarily.

Mr. WHEELER. Will the floors and sills be of concrete?

Mr. SHERLEY. All concrete.

Mr. WHEELER. No wooden framework whatever?

Mr. SHERLEY. Flooring and framework and walls and roof of concrete. I will try to give the House the details in a few moments.

Mr. Sisson. In order to conclude my statement and not detain the committee, so that we may get down to the merits of this proposition, so far as I am personally concerned I agree heartily with the statement made by the chairman of the Committee on Public Buildings and Grounds [Mr. Clark of Florida] that the jurisdiction of these two committees should be kept absolutely separate, as the rules indicate; and it is only under the pressing necessities of the present that the rule ought ever to be violated. So far as I am personally concerned, I can only speak for myself, but as a member of the subcommittee I will say that these matters shall not be considered, if I can help it, except after consultation with the chairman of the Public Buildings and Grounds Committee or any other committee that may have proper jurisdiction over a matter that might be included in a deficiency bill.

Mr. COOPER of Wisconsin. Will the gentleman permit an interruption?

Mr. Sisson. Certainly.

Mr. COOPER of Wisconsin. What induced the committee to insert the provision regarding these structures being built of reinforced concrete, when the \$2,000,000 buildings down here are of wood?

Mr. Sisson. It is quite a long story, but I can tell the gentleman in a word. A great many of the clerks and employees in the Navy Department will have to deal with the drawings for

the building program of the Navy, and if you did not have buildings reasonably safe from fire it would be absolutely disastrous if those plans and specifications were destroyed. The hearings were complete and the testimony was overwhelming that unless we were in a position to build them fireproof vaults, or a place where they could keep these documents and drawings, it would mean disaster if there was a fire.

Mr. COOPER of Wisconsin. Inasmuch as the Government for about 12 years has owned the land from Pennsylvania Avenue to the Mall, down near Fifteenth Street, containing now, as then, many buildings that are nothing but eyesores to that part of the city, why did you not propose to put these new structures there?

Mr. Sisson. The question of time entered into that. We would have to destroy the buildings that are there now, all of which are going to be used for office space anyway. A good many of these buildings are already being occupied. Some buildings are being constructed. As I understand, these buildings will probably be occupied by the Internal Revenue offices.

Mr. COOPER of Wisconsin. It looks like a rather serious proposition to put \$8,000,000 of buildings into a magnificent park.

Mr. Sisson. It is a most serious business and there is no question about it, but the subcommittee and the full committee in considering this matter found there was no other alternative.

Mr. COOPER of Wisconsin. Does the gentleman say that the full committee considered the bill?

Mr. Sisson. The full committee only considered the statement made by the chairman of the committee, but his statement was very full. They had all the maps before the committee, but had no witnesses there.

Mr. COOPER of Wisconsin. In other words, the full committee heard the statement of a witness who had heard the witnesses.

Mr. Sisson. The full committee heard the statement of the chairman of the committee.

Mr. COOPER of Wisconsin. And he had heard the witnesses.

Mr. Sisson. The hearing was what the full committees have at times when the subcommittee has investigated the testimony of witnesses; the subcommittee reports to the full committee, and until the full committee was satisfied they would continue the investigation.

Mr. COOPER of Wisconsin. I was only prompted to ask the question because the gentleman said that the full committee had approved of the findings of the subcommittee, and as far as that is concerned I understand from the gentleman's own statement that the full committee knew nothing about the testimony at all except as the chairman came in and gave a synopsis of it.

Mr. Sisson. I did not intend to make any other statement than that it was reported by the subcommittee and was considered by the full committee, and there was no objection to it.

Mr. WALSH. Mr. Chairman, this matter has been stricken from the bill on a point of order. I wish to reserve the right to object. I understand an agreement has been made between the committee reporting this bill and the chairman of the Committee on Public Buildings and Grounds, who made the point of order, and that there is some objection apparent, or some desire on the part of certain gentlemen to learn more about this item before the matter is reinserted in the bill. It seems to me that the statement as to the necessity, and as to the information which the committee procured on this matter, ought to be made before the item is put back into the bill. If it is, then there need not be any discussion of the item at that time, and further time in discussion will be saved. I ask that the chairman of the committee make his statement as to the necessity of this item at this time, and unless that is done I think objection should be made to putting the item back in the bill, and I am willing to make the objection.

Mr. CANNON. Will the gentleman yield?

Mr. WALSH. Yes.

Mr. CANNON. The matter has been very fully investigated and the gentleman from Kentucky did make a full explanation in his opening speech, although I think there were not over 40 or 50 Members present. Now, if the point of order is withdrawn and the matter considered on its merits, unless the merits are so strong as to convince the committee, I am satisfied it will be rejected by the committee. But suppose under the gentleman's plan we spent three or four hours in the consideration of this and everyone favored it but one Member and he objected? We would lose all that time. It seems to me that we can trust the Committee of the Whole in the premises. Later on we would have to do it when the Committee on Public Buildings and Grounds should report. I believe that the inquiry

in the committee disclosed that time is of the essence and that prompt action is required.

Mr. WALSH. Mr. Chairman, I will say in reply to the gentleman from Illinois that I think this method of mine would save time. The chairman of the committee could outline the matter briefly from facts ascertained the need for this legislation and then that being demonstrated there could be no objection to restoring the item to the bill. We would then be in a position to proceed with the discussion of the matter and close up the discussion of the entire bill within a few minutes.

Mr. CANNON. With this difference, that the majority after discussion would agree or disagree to it, and under the gentleman's plan one man after the discussion could defeat action.

Mr. WALSH. As he can now?

Mr. CANNON. Precisely. Here is a condition that has got to be met if we do our duty, and why can not gentlemen trust the committee now to consider and let the majority act.

Mr. FESS. Will the gentleman yield?

Mr. CANNON. Yes.

Mr. FESS. In case this item goes out on a point of order, can not the Rules Committee make it in order?

Mr. CANNON. In the event the majority should ratify the rule, but that would lead to further delay.

Mr. FESS. It is likely to go in anyway, is it not?

Mr. CANNON. I do not know how that may be; I can not tell. When a majority of the Rules Committee would report a rule, and a majority after discussion should adopt a rule, then it would be in order. This situation has got to be met either by a report from the Committee on Public Buildings and Grounds or upon this report made by the Committee on Appropriations. It seems to me that we now have as much leisure to determine the merits of this matter as we will have at any time.

Mr. WALSH. Mr. Chairman, reserving further the right to object, I would like to ask the gentleman from Kentucky if he prefers to repeat his statement regarding the matter now or after it has been restored to the bill.

Mr. SHERLEY. I will say frankly to the gentleman that it seems to me the orderly thing is to do as we would if the point of order had not been raised and the matter was up like any other provision in the bill. I will say frankly to the House that if we can not show the need of these buildings they ought not to be built.

Mr. WALSH. Mr. Chairman, I do not object.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none. The paragraph has been read and is now restored to the bill.

Mr. MOORE of Pennsylvania. Mr. Chairman, a parliamentary inquiry. Have we passed the Department of Labor paragraph?

The CHAIRMAN. Yes; on page 81.

Mr. MOORE of Pennsylvania. I desire to discuss that paragraph a moment.

The CHAIRMAN. The gentleman is rather late. We passed page 81, and the gentleman from Kentucky asks unanimous consent to return to his item.

Mr. MOORE of Pennsylvania. That is the reason I was thrown out. I want to discuss the labor paragraph for a moment.

Mr. SHERLEY. There will be an opportunity for the gentleman to take five minutes in the discussion of it later if he desires.

Mr. MOORE of Pennsylvania. Very well.

Mr. SHERLEY. Mr. Chairman, there were two proposals in connection with the building proposal that ought to be kept distinct, one relating to concrete buildings and one relating to wooden buildings.

I shall endeavor to repeat somewhat what I undertook to say to the House in presenting the bill several days ago as to what actuated the committee. There is not a great deal of testimony in the hearings touching the matter. That was not intentional, but came about in this way. It became apparent in the early consideration of the bill, from the letters that were being sent to me as chairman of the committee, the requests that were being made by various departments, and the statements being made by the heads of departments, that there was need of a great deal of space in Washington. It was also exceedingly difficult to get from anyone a statement that matched up with anybody else's statement, because the situation was shifting from day to day. So the committee did what it thought was better than undertaking to take some representatives of the various departments, cross-examine them touching their needs unconnected with other departments, and thus come to a conclusion. It had prepared, through the courtesy of Mr. Brown, the head of the Bureau of Efficiency, a list of questions which

it sent out to every department in the Government, asking it to state the amount of space they now had other than that which was Government owned, the rent they were paying for it, the amount of space they would need prior to the 1st of July, and the amount of space they would need subsequent to the 1st of July. Those reports came in in great detail and constitute a stack of papers a foot high. They have been summarized in the statement which I read from the other day, and from which I shall again read to the committee. These reports gave much more of detailed information than we could have obtained in days of cross-examination. The summarized statement showed that there was now being occupied by various departments of the Government—that is, there was as of the 1st of January—we had to fix a date which these returns should be for, so that we could get some uniformity—3,826,511 square feet of space in this city for which the departments were paying a rental which at an annual rate would amount to \$1,764,019.40.

Mr. COOPER of Wisconsin. Is that exclusive of the department buildings?

Mr. SHERLEY. That is exclusive of the Government-owned buildings altogether. The statement shows further that these various departments would need prior to the 1st of July, 1918, 2,109,761 square feet of space, and that of the space now used there was to be vacated only 174,409 square feet. So that practically there were 2,000,000 feet of space they said they needed prior to the 1st of July. Then a statement was given as to the amount of space that would be needed after the 1st of July, additional to what has been mentioned, and that totaled 2,316,270 square feet of space. So that if you take the figures at their face it would show an expected need prior to July of next year of four million four hundred thousand and odd square feet in addition to what we are renting, and we are renting now 3,800,000 square feet of space. The moment you get figures that large you do not have to go into details as to how much each department wanted to know perfectly well that all and more than what is being proposed here would be needed by the departments, and particularly you did not have to have testimony to ascertain this fact, because man after man had testified to it, and it was common knowledge that all of the available space in the District of Columbia is now being used. Men are hunting opportunity to find space that is rentable, without regard to the very high prices that have to be paid.

It was perfectly apparent also to anyone who knew the expansion that was taking place in the Government, as shown by estimates that were being made for additional clerical hire, to say nothing else, that these departments were going to expand tremendously. For instance, the War Department used to have on its regular rolls 1,600 employees. It has now upon its temporary rolls 9,000 employees, and the Ordnance alone have now 4,718 employees and estimate that there will be needed in the fiscal year 1919, 4,000 additional employees. It had submitted a formal estimate for an immediate need of about 1,300,000 square feet of space, and it claimed an additional need for next year of over 2,000,000 square feet. The result was that the committee knew, as the slightest consideration will demonstrate, that all of this space would be needed, and more too, and particularly it knew that if we were not to be held up and continue after the war to have to pay the extravagant rentals we are now paying for these 3,800,000 square feet which we are now occupying as rented space we would have to greatly enlarge the building program.

The proposition, then, came down to two questions—the character of buildings that should be put up and where they should be put up. A good deal of criticism had been leveled at Congress because of the erection of temporary buildings of wood. Particularly was there expressed a fear upon the part of the various departments of housing their valuable records in wooden buildings. So much was that so that the Ordnance people had submitted a separate estimate for a concrete building, that was pending before the committee, and the Navy Department testified that it did not desire to be housed in temporary wooden structures. The War Risk Insurance Bureau had urgently pressed upon the committee the need of a fireproof building for the preservation of its records. The committee therefore made some inquiry as to cost, and it developed in connection with the testimony of Commander Parsons, of the Navy Department, that the Navy had constructed buildings for \$2.50 a square foot, made of concrete, which were entirely fireproof, and that they were just finishing a storage building over in New York that would average at that figure.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. SHERLEY. Mr. Chairman, I ask unanimous consent that I be permitted to continue for 10 minutes longer.

Mr. STAFFORD. Mr. Chairman, I ask unanimous consent that the gentleman be permitted to continue for 15 minutes.

Mr. CANNON. Make it until he concludes his remarks.

Mr. STAFFORD. Very well.

The CHAIRMAN. The gentleman from Wisconsin asks unanimous consent that the gentleman from Kentucky may proceed until he concludes his presentation of the matter. Is there objection?

There was no objection.

Mr. SHERLEY. They were very urgent, and requested they be given permission to construct on the ellipse a building which would contain something over 900,000 square feet of space, and which they said would enable them to put all of their now scattered departments into one building and greatly increase the efficiency of the departments.

The State Department was urging its need for 100,000 square feet of space, and particularly the desirability of obtaining additional space in the Army and Navy Building. It developed informally that if the Navy Department obtained the building it required the State Department in large measure could be taken care of in the space the Navy would relinquish in the Army and Navy Building.

On cross-examination of Commander Parsons it developed that the type of building that he desired to build on the ellipse, and which he thought he could build for \$2.50, would be a three-story, reinforced concrete building, and that the cheapness of construction would depend somewhat upon the lay of the ground, which would enable them to build a building the ground floor of which would be practically a concrete pavement resting on the ground, and would not need the supports that would be necessary in the upper stories, and thereby very greatly lessen the cost; that a three-story building could be built without any elevators, and that it could also be built within a time limit such as to afford the relief now urgently sought. The moment that came before the committee I think all of us were struck with this fact, that we were having to pay \$2.25 for frame. If we could build for \$3 of concrete—testimony had developed afterwards that if the ground was not ideal the price would range from \$2.50, which was put as the minimum, to \$3.08, which was put as the extreme outside limit—if we could build for \$3 as against \$2.25 for frame, that we were hardly justified in risking either the safety of the people who would work in such buildings or the papers and property which would be housed there, and that it was desirable where we could to build of concrete, if we were not so hurried for time as to make it necessary to build wooden buildings. The committee then undertook to determine where we could best build the amount of space that ought to be built.

It was then found we could put at Seventeenth and B Streets, on the ground that is immediately south of the Pan American building and running to the west, two concrete buildings three stories high that would give a floor space of 920,000 square feet in one building and 835,000 square feet in the other; that we could put in Seaton Park, which is just this side of Henry Park, where the temporary buildings which were authorized last year have been constructed, two buildings—one of 270,000 square feet and one of 300,000 square feet. Then, we could put just west of the present buildings another building that would contain 370,000 square feet. We concluded that if we made one of those buildings of concrete it in time would give to the Ordnance people, who are now occupying two-thirds of the Henry Park buildings, enough fire-proof space to take care of their most important papers and probably take care of their entire need in that regard, and by building the other two buildings of wood we could get, with the remaining one-third of the Henry Park buildings, which the Navy was willing to give up immediately and which had been reserved for them, some 900,000 square feet of space in a few months, and thereby take care of the immediate pressing needs of the Army, and that it could wait for the additional space it would need until the completion of the big concrete buildings. The Navy was willing to wait in order to get into one building of concrete. So the plan worked out in that shape. Now, the basic things that this committee ought to consider are these—

Mr. COOPER of Wisconsin. Will the gentleman yield for one question right there?

Mr. SHERLEY. Certainly.

Mr. COOPER of Wisconsin. The buildings which are to go west of Seventeenth Street are opposite the Pan American Union Building?

Mr. SHERLEY. Yes.

Mr. COOPER of Wisconsin. And they are concrete. They go south from that street that is next to the Pan American

Union building. Do they cut across that line of small trees which runs from Seventeenth up to the Lincoln Memorial?

Mr. SHERLEY. I think they do take in the first row of small young trees which have been planted there, but they do not go far enough south to interfere with the vista of the Lincoln Memorial; and that was one of the things we tried very carefully to safeguard, that the buildings should not be of such bulk as to extend too far to the south or too far west and obscure or hide the Lincoln Memorial, because, manifestly, none of us desire to do that.

Mr. COOPER of Wisconsin. It is my understanding—the gentleman will know, I suppose—that they were elms brought from England, and that these double rows of trees, one on the north side and one on the south side, which is to have a roadway between, are English elms, and I hope that these buildings will not go down and destroy those trees.

Mr. SHERLEY. I think those elms can be removed without difficulty and I hope they will be removed. Manifestly we had to move forward and we could not find any space where there were not some trees to be sacrificed.

Mr. ROBBINS. Will the gentleman yield?

Mr. SHERLEY. In a moment. May I say in passing I do not believe there is any man in this House who has a greater love for a tree than I have, or any man who regrets more the necessity of going upon the park areas than I do, but the situation was such as to force that to be done. I now yield to the gentleman.

Mr. ROBBINS. In connection with the question of taking trees last year I raised that same question, and I was assured that the trees growing in Henry Park would not be taken, but I observe some of them have been cut down. Why not occupy the space between the Capitol and the Union Station on which no trees are growing, for instance, the Southern Railway Building which is occupied by the War Department and the Union Station occupied by the War Department?

Mr. SHERLEY. There are a number of reasons. In the first place they are totally inadequate. They would not begin to give this amount of space unless you went high in the air, and the moment you get high in the air with a frame building you tremendously increase the risk to life and property from fire. The moment you go high in the air in regard to a concrete building, you tremendously increase both the cost and time of construction. Of course, you have to put elevators in and to build an entirely different type of building.

Now, I want to say this to the committee, as to how we tried to safeguard prices:

The gentleman from Wisconsin [Mr. COOPER] very properly spoke of the fact that here was some \$8,000,000 that was proposed being spent under the War and Navy Departments, and without limitation. Of course, those sums have ceased to be big sums as sums go now. We are voting to be spent by these various departments sums that make these negligible, but aside from that the discretion is not very great that is put in these departments, because we vote moneys to build a certain quantity of floor space, which is predicated upon a fixed price.

Now, the price as to frame buildings is \$2.25 a square foot, and as to concrete it is \$3 a square foot, and they are required to erect buildings of approximately the amount of area we have indicated for the price we have named. And if the gentleman will simply take the amount named for each of these buildings and divide it by the square feet of floor space, they will find it works out approximately with the wooden buildings \$2.25 and the concrete buildings \$3.

Mr. MADDEN. Of course, the heating apparatus is not included.

Mr. SHERLEY. That includes heating, but not the power for creating the electric light.

This was not blind figuring. We had actual figures as to frame buildings. The buildings in Henry Park would have cost about \$2 a square foot if they had been built exactly for what we appropriated, but the need of putting in a sprinkler system and some other additions made their cost run to \$2.16 a square foot.

Since they were started there has been an increase in the price not only of lumber but of labor, which is making buildings that are now being erected up back of the Pan-American and Daughter of American Revolution Buildings cost \$2.20 to \$2.25 a square foot; and we figured on that. As to the concrete buildings, we had the statements of Commander Parsons, and a statement from Gen. Goethals, though the latter statement was simply a general one contained in a letter saying that he thought they could be built for \$3 a square foot; but Parsons's statement was the result of some detail work. It was checked over by Mr. Elliott Woods, the Superintendent of the Capitol, and it was further checked over as to the heating side of it by an officer

of the Treasury Department, in the Bureau of Public Buildings and Grounds. So we undertook to check one man against the other to ascertain what the cost of the concrete would be, and we knew by actual experience what the cost of the frame buildings would be.

Now, it seems to me there are three propositions for the committee to consider: First, is it desirable to build wooden buildings as against concrete, having in mind a cost of \$2.25 as against \$3? And I ought to say in passing that in the salvage of the concrete you would probably obtain nothing; that the cost of removing concrete would eat up the value of the fixtures, and so forth, that might be salvaged. As to frame buildings, you could probably save about 25 cents a square foot. So that the net cost of these buildings when finally removed would be in one instance \$2 and in the other \$3 a square foot.

Mr. MADDEN. Will the gentleman allow me to make a suggestion?

Mr. SHERLEY. I will.

Mr. MADDEN. I would like to suggest that in the construction of the floors of these concrete buildings there ought to be a wooden floor over the top of the concrete, or some other kind of covering, that will prevent the dust that arises from the disintegration of the concrete by the movement of people in the room; otherwise they will have a lot of people in there who will have their lungs full of the concrete dust, which will be a source of great danger to those who will be working in there. I speak from personal and practical experience as a builder, and I think that that ought to be taken very carefully into account, and either have these floors asphalted or covered with some kind of material that will not admit of disintegration arising in the form of dust and getting into the lungs of people who are working in these rooms.

Mr. SHERLEY. I am glad to have the suggestion of the gentleman, and in reply I have only to say this, namely, that the \$3 figure, I think, is sufficient to give leeway to take care of that kind of thing as it should be taken care of, and I presume that Commander Parsons, of the Bureau of Yards and Docks, who impressed the committee as a man who knew his business, will know how to deal with these mechanical and physical conditions.

Mr. MADDEN. Except I think we ought to see that they deal with them.

Mr. SHERLEY. Now the real question is, Shall we try to and put up buildings for \$2 a square foot, and subject to the risk of fire loss, as against fireproof buildings at \$3 a square foot?

Mr. BUTLER. Will the gentleman yield?

Mr. SHERLEY. Certainly.

Mr. BUTLER. By expending \$1 more we will insure the lives of the people who have to work there and also preserve these public records?

Mr. SHERLEY. We build an absolutely fireproof building.

Mr. BUTLER. That is worth it.

Mr. SHERLEY. There is another thing that controlled the committee in that regard. When this war is over you are not going to see Washington the city we knew prior to the war. It is never going to contract back into anything like its former size. There is going to be for many years afterwards the need of a great deal of office space, and for all time there is going to be the need of a great deal more office space than in the old days prior to the war.

Now what will happen? If you have only frame buildings, immediately there will come great pressure to have them torn down right away in order that none of the 3,800,000 square feet of space that we are renting at extravagant figures shall be vacated. Every financial influence and every bit of greed that exists in the District of Columbia will be put with all its weight, under one excuse or another, to force the Government to tear down the frame buildings, because they will say, "These things are terrible fire hazards and risks," and while the Government is building the monumental buildings that are permanently to house the departments the rentals will continue to run.

Now, it seemed the part of wisdom for Congress to build buildings of sufficient stability of character and permanency not to be there always but to be there for a sufficient length of time to enable us to adjust ourselves to the situation that will arise after the war is over, and not put us at the mercy of these private owners of property. A use of these buildings for six or eight years, or even a less period, will justify in the saving in rentals the entire expenditure.

Mr. CAMPBELL of Kansas. Mr. Chairman, will the gentleman yield?

Mr. SHERLEY. Certainly.

Mr. CAMPBELL of Kansas. In connection with the use of private buildings, will the construction provided for in this ap-

propriation obviate the necessity of taking over such buildings as the Arlington Hotel Building or the new hotel just across the street from the Treasury, which, it is reported, is to be taken over for office purposes?

Mr. SHERLEY. I will answer the gentleman by saying that the space we are here providing is not, in my judgment, sufficient to take care of all the needs of the Government now, including the Treasury needs. I do not think it will be sufficient for that. I believe we are only providing space sufficient to take care of the Army needs and the Navy needs, with perhaps a little bit of leeway for some of the departments that are intimately associated with those two.

Mr. CAMPBELL of Kansas. Has the gentleman from Kentucky information as to whether or not any of the departments of the Government contemplate taking over that new Washington Hotel?

Mr. SHERLEY. I have not heard about that at all. But there is a definite estimate submitted by the Treasury Department for \$4,200,000 for the purpose of buying the Arlington Hotel site and erecting upon it a 10-story building, to be used as an annex to the Treasury Department.

Mr. SMITH of Michigan. Mr. Chairman, will the gentleman yield for a question?

Mr. SHERLEY. Certainly.

Mr. SMITH of Michigan. Are the wooden buildings that the gentleman has described similar in character to the wooden buildings that have been built for the Food Administration and the Fuel Administration?

Mr. SHERLEY. They are, except that they are three story instead of two story.

Mr. SMITH of Michigan. Can the gentleman tell us anything as to how they were built?

Mr. SHERLEY. They were built out of moneys allotted to them by the President, or otherwise available.

Mr. SMITH of Michigan. What was the cost?

Mr. SHERLEY. I think some of them in the first instance may have cost about \$2, but those now in course of erection are costing \$2.25.

Mr. SMITH of Michigan. How are these concrete buildings to be erected? On the contract plan or the cost-plus plan?

Mr. SHERLEY. I assume what would happen would be this, that Commander Parsons, of the Bureau of Yards and Docks of the Navy, would let contracts for the construction of those buildings.

Mr. SMITH of Michigan. By contract?

Mr. SHERLEY. I presume by contract. He knows the price they ought to cost.

Mr. SMITH of Michigan. I am very much in favor of the contract plan.

Mr. SHERLEY. He knows the details of it, and we had the details before the committee.

I want to be perfectly frank with the committee. I am not a builder. I do not know what the cost is, except as experience here has shown us; but we took the testimony of the best men we could find, and I do not think we missed it as to what these buildings are to cost.

Mr. SMITH of Michigan. I think the gentleman's explanation is very full.

Mr. COOPER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. SHERLEY. Certainly.

Mr. COOPER of Wisconsin. The gentleman from Kentucky will remember that last summer we made a very considerable appropriation for the erection of an annex building for Treasury purposes beside the Belasco Theater. What has become of that?

Mr. SHERLEY. The plans of that building have been drawn up, but the contracts have not been let, and when the Superintendent of Public Buildings under the Treasury was before the committee he was asked about that, as he was subsequently asked by telephone as to whether he was prepared to submit his estimates of appropriations to carry out that authorization. We learned that the bids would not be invited for some weeks yet; that there was no need for this bill to carry funds in that regard. So that is the condition.

Mr. COOPER of Wisconsin. That is to be a permanent building?

Mr. SHERLEY. Yes; that is to be a permanent building, to be connected by an underground passageway with the Treasury.

Mr. COOPER of Wisconsin. About the Washington Hotel the gentleman says he has no knowledge?

Mr. SHERLEY. I have heard nothing of that.

Mr. COOPER of Wisconsin. Is there anything more needed in this city than additional hotel accommodations?

Mr. SHERLEY. I think not. There is a lot of this space now, 3,800,000 square feet of space, that ought to be released

by the Government for two purposes: First, because of the high price it has to pay for the space; and, second, that space ought to be used for the purposes for which it was originally created—hotel space and accommodations to people who come here, and to the employees who have to live here.

Mr. FESS. Mr. Chairman, will the gentleman yield?

Mr. SHERLEY. Certainly.

Mr. FESS. What proportion of this 3,800,000 square feet will be vacated when these buildings are constructed?

Mr. SHERLEY. I can not answer that question.

Mr. MADDEN. The gentleman did answer it some time ago; 174,409 square feet.

Mr. SHERLEY. I was going to say this, that the statement that is presented showed that they expected to release 174,409 square feet, but I believe and hope that with the consolidation of a lot of these various departments in these new buildings, a great deal of this most expensive space can be given up, and, of course, when the war shall have ended and we have gotten past the peak, which we have not yet reached, there ought to be a giving up of a great deal of this space and full use made of the buildings which we are undertaking to build now.

Mr. FESS. There is a probability of a growing demand. Is there any probability that that growth will continue?

Mr. SHERLEY. My judgment is that if the war continues for a couple of years this building program is going to be laughed at and looked upon then as being as inadequate as last year's program is laughed at and looked upon as inadequate now.

In other words, while we debate, the activities of the Government and the growth of these departments are such as to make your figures antiquated; and one of the difficulties we had was that we were never able to keep the thing straightened out. From day to day a department would tell informally that they needed so many thousand square feet, and then they would hurry down to my room and tell me afterwards that they were mistaken and ask me not to tie them to that, because they had discovered that they were going to need so much more, representing increases sometimes of 30, 40, or 50 per cent. The result was that we ceased to try to work out just the amount of space that was necessary. We brought in a proposition that we knew was conservative, that was well within what is at present needed.

Mr. FESS. Then we ought not to be surprised if we are told within a year from now that none of this space has been vacated?

Mr. SHERLEY. In my judgment, if the war continues an additional year this Congress will be confronted with the necessity of additional buildings.

Miss RANKIN. Will the gentleman yield?

Mr. SHERLEY. Certainly.

Miss RANKIN. Did your committee consider an appropriation for temporary quarters for women employed by the Government during the war?

Mr. SHERLEY. We did not consider it as a committee. I personally have given some thought to it, as I stated the other day. It has been apparent, I think, to all of us who have followed the expansion of the Government and to those of us who have simply looked at the city as we came back and forth to and from the Capitol, that provision would have to be made, particularly for housing women employees who are coming in, to enable them to have suitable accommodations; but nothing is suggested in this bill and nothing is now proposed to be done by the Committee on Appropriations with reference to that matter.

Now, gentlemen, I do not know that I can add any more to what I have said.

Mr. COOPER of Wisconsin. I should like to ask one question.

Mr. SHERLEY. Certainly.

Mr. COOPER of Wisconsin. The proposed building down in Potomac Park, opposite the Pan American Building, will have no street car facilities very near it?

Mr. SHERLEY. I do not think that is quite the situation, if the gentleman will permit. It is proposed to extend the Pennsylvania Avenue line, which now turns and goes down on G Street, so as to make a loop; and, in fact, it is now being extended down to and on to Virginia Avenue. That will bring that car line within two or three squares, at the outside, of these buildings.

Mr. COOPER of Wisconsin. I did not know that was being done.

Mr. SHERLEY. And the other car line, at Seventeenth and H Streets, is considerably less than a mile away—less than half a mile from the nearer end of these new buildings. The buildings themselves will extend a considerable distance.

We looked at a great many sites. We went down on this ground. We considered all the places that were suggested. We do not present this as being an ideal solution. We present it as being the most practical solution that the committee were able to work out, and we ask those who would be critical of it

to present an alternative as good or better before they undertake to deny this work.

Now, I do not want to take time to read a letter that I received just two days ago from the Secretary of War, begging that he be authorized to go ahead, without waiting upon Congress, because of the present need for building space. I can only say to the committee and ask them to believe me when I say that there has not been a day for the past month when I have not had from one to three calls from different departments urging and begging that something be done about the building program, and that we permit them to go ahead with this work in order that they may not be further handicapped. Now, that is the situation. It has not been a pleasant thing to do. It has not been an easy thing to do, but we would have been derelict in our duty if we had not come to you with a proposal that we thought would help to solve the thing.

Mr. COOPER of Wisconsin. I will say to the gentleman from Kentucky, and he knows well, that the facts demonstrate how little Congress looks ahead in the matter of appropriating for the Government. It is only a few years ago, comparatively speaking, that all the property between the Botanic Garden and Fifteenth Street, clear down to the Treasury Building, could have been purchased or condemned by the Government for less than \$10,000,000.

Mr. SHERLEY. I agree with the gentleman.

Mr. COOPER of Wisconsin. For \$9,000,000 and a fraction, and a bill actually passed the Senate providing for it, but that bill was stopped here and never passed the House.

Mr. SHERLEY. There is a better illustration than that. If we had simply had the wisdom last year to have taken all the ground lying back of the Pan American Building, the Continental Memorial Hall of the Daughters of the American Revolution, and the Red Cross Building, running on back to the Government naval hospital, which might have been bought for approximately \$1 a square foot, and had put on that ground concrete buildings, we would have had a solution of this problem for some time to come.

Instead of that, these bureaus and departments—the Fuel Administration, the National Defense Council, the War Trade Board, and all these other bureaus—have gone on getting a little piece here and there, building, building, and building, while Congress did nothing. That is the situation, for which my committee, perhaps, is as much to blame as any, because last year we undertook to deal with the matter and did not deal with it adequately.

Mr. TOWNER. Mr. Chairman, will the gentleman yield?

Mr. SHERLEY. Yes.

Mr. TOWNER. Illustrating the fact that these increases are likely to continue, as the gentleman says, it is only necessary to call attention of the committee to the fact that when the estimates were made for the department for the \$2,000,000 temporary buildings it was supposed that only about 700,000 square feet would be required, and instead of that Congress erected 1,000,000 feet, and now we see how inadequate that is.

Mr. SHERLEY. I thought then that we were cutting our cloth pretty short, but the fear was with the committee then, and is with the committee now, of coming in here with a proposal that seemed too extravagant. We appreciated the fact that there would be a tendency on the part of Members of Congress to criticize what looked like an extravagant proposal, and so last year the chairman of the committee and the committee following him proposed only the building of 1,000,000 square feet.

Mr. TOWNER. And that exceeded the estimates made by about 300,000 square feet?

Mr. SHERLEY. It exceeded definite estimates, but we could then see a great deal more was coming. I shall be glad to explain further, if I can, any other details of this matter. I trust that the committee may accept the judgment of the Committee on Appropriations.

Mr. BARNHART. Mr. Chairman, will the gentleman yield?

Mr. SHERLEY. Yes.

Mr. BARNHART. Is it the attitude of the Committee on Appropriations to assume further responsibility of taking over to itself the construction of the housing questions that are now coming up for employees of the Government?

Mr. SHERLEY. I will say, speaking for myself, and I have no right to speak for anyone but myself, that if anyone desires to take over the building program in the future I wish him God-speed, and I shall not interfere with him taking it, providing action is had.

The only reason for the committee acting at this time was not with the desire to interfere with the Public Buildings and Grounds Committee, not with the idea of adding to the power or jurisdiction of the Committee on Appropriations, but because

there came inevitably and tied to the proposals for the expansion of these various departments the question of housing them. It was urged upon the committee, and urged with such force that we dare not disregard without being derelict to our duty, the request that this bill be made the medium for affording relief from a situation that was intolerable.

Mr. BARNHART. It could have gone through in the regular way in these two months and a half of the duration of Congress, in which time the matter might have been submitted to the proper committee and have been considered and reported out with an authorization in the regular way.

Mr. SHERLEY. I presume the other committee could have taken jurisdiction and could have acted, though, as I stated on Saturday, I do not think any committee could fully examine all angles of this matter without covering practically the scope that we had to cover in the deficiency bill; but, in any event, that is behind us now.

Mr. BARNHART. In any event, it would seem to be consistent with these departments when they do come to Congress that they should go to the committee that is duly authorized to take up these questions and consider them.

Mr. SHERLEY. I want to simply say in response to that that I do not control the departments, and have not invited estimates from them touching any matters and do not expect to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

For continuing the investigation authorized by the deficiency appropriation act approved April 17, 1917, to be conducted by the Committee on the District of Columbia, or a subcommittee thereof, \$5,000, to continue available during the Sixty-fifth Congress.

Mr. SANFORD. Mr. Chairman, I make a point of order to the paragraph just read.

Mr. SHERLEY. I submit, Mr. Chairman, that the gentleman is too late, and it is not subject to a point of order.

Mr. SANFORD. I was on my feet attempting to get recognition by the Chair.

The CHAIRMAN (Mr. WEBB). I think the gentleman from New York was in time; he was trying to get recognition.

Mr. SANFORD. I want to ask the chairman of the committee to cite the authority for this appropriation. The burden is upon him to show the law authorizing the item.

Mr. SHERLEY. In the deficiency appropriation act of April 17, 1917, there is this language:

That after the passage of this act the members of the Committee on the District of Columbia, or a subcommittee thereof appointed by the present chairman of said committee, be, and are hereby, authorized to continue the investigation directed by House resolution 225 of the Sixty-fourth Congress, and the expenses for the purpose as provided in House resolution 256, Sixty-fourth Congress, out of the contingent fund of the House, a sum not exceeding \$7,500 in addition to the unexpended balance of amount heretofore authorized.

Now, Mr. Chairman, I submit that that is not simply an appropriation out of the contingent fund but is a direct authorization as a matter of law, not by a resolution of the House as has been the practice frequently in the past, but an actual declaration of law whereby the committee is authorized to continue the work and certain funds made available. They came before the committee with the statement that the funds were exhausted and asked additional appropriation under the authority in the language I have read. The committee had only the discretion of determining whether or not to vote the money.

Mr. SANFORD. Mr. Chairman, there is no question but that the Appropriation Committee in this act of 1917, so long as there was no point of order made to the item, could insert in an appropriation bill a provision assigning for this purpose a definite sum of money out of the contingent fund of the House. Of course, if a point of order had been made the item would have been stricken out. It is significant that they appropriated the money from the contingent fund, over which they had no jurisdiction. They did not provide for a permanent bureau of the Government to continue until some act of Congress was passed, but they provided for this investigation "after the passage of this act." These words do not reveal any intention to create a permanent institution. Such an institution could have been established so that in each appropriation bill an item could be carried for this work; but the words used are: "After the passage of the act." They did not say "hereafter this committee shall be permanently authorized to do so and so," or words to that effect. It can not be said that under Rule XXI this appropriation is authorized as a continuance of a public work—the only theory on which the chairman could claim that it ought to stay in the bill—it can not be said that this is a continuance of a public work or object because it has been repeatedly held by different chairmen that these public works or objects that are entitled to continuance without any authority refer to tangible

things, like buildings or something of that kind. I call the Chair's attention to the provision in the rules, page 363:

By public works or objects already in progress (within the meaning of this rule) are meant only things of a tangible nature like buildings, roads, etc., and not duties of officials in executive departments or the continuance of a work indefinite as to completion and intangible in nature, like the gauging of streams.

If this provision was for the completion of some definite object, a building or a structure, it could, of course, be contended that that original authority in an appropriation bill would give authority to continue bringing in an appropriation to carry it to completion.

But this appropriation is merely, according to the appropriation bill in which it appears, an appropriation of a sum of money not exceeding \$7,500 to enable this committee to continue certain investigations that were authorized back in 1916. It is worth while to note, too, that the item now in the appropriation bill before us is a change of law, because in the act of 1917 the appropriation is out of the contingent fund, and now the Appropriation Committee has changed it and provided, not for setting aside a sum out of a contingent fund but providing for an appropriation out of the General Treasury. That is a change of existing law; but I think the important consideration is the object sought by this appropriation, that it is not a continuing object; it is not an object that ought to be continued under this rule; and is not a thing especially excepted by this rule. I think there is no authority for the provision.

Mr. SHERLEY. Mr. Chairman, what the object may be is not a matter for the Chair to determine. The language expressly declares what the appropriation is for, and the language in the pending bill is exactly similar to the authorization contained in the deficiency act of last year. It was not simply in allotment of money out of the contingent fund, but was a declaration of law. Whether that was intended is not for me to say, but the effect of it was to create a law on the statute books which says that after the passage of the act this committee shall do certain things that were authorized, and then gave them the money to carry out the doing of that. When the money ran out there was presented the question of a deficiency, and that question was the question that came before the committee. I will be very glad to speak in justification of the appropriation on its merits when the Chair has decided the point of order.

The CHAIRMAN. (Mr. WEBB). The Chair was under the impression first that this legislation was enacted by a former Congress, but I find now that the law was passed by the last session of the present Congress, and this being the case the appropriation seems to be entirely in order during this Congress. The language has some "earmarks" of being permanent legislation, but the Chair does not pass on that question now.

Mr. SHERLEY. I suggest also that it was done at the last session of this Congress.

The CHAIRMAN. Therefore it seems to be a continuing appropriation, at least during the life of this Congress.

Mr. CAMPBELL of Kansas. If the Chair pleases, it is not the intention of the Chair to hold it is a continuing appropriation, but is an authorization for an appropriation?

The CHAIRMAN. As long as this Congress lasts, at least, it is a continuing authorization for an appropriation. As the gentleman from Kansas suggests, it is only a continuing authorization.

Mr. CAMPBELL of Kansas. It may be an authorization for an appropriation, but it can not be construed as a continuing appropriation.

The CHAIRMAN. The Chair holds that it meant to be an authorization during the life of this Congress; possibly longer, but I shall not pass on that point. Any appropriation made under this law during this Congress would certainly be upheld during the life of this Congress, and therefore the Chair overrules the point of order.

Mr. SHERLEY. Now, Mr. Chairman, I desire briefly to make this statement in justification of the action taken by the committee. As the result of the activities of the Committee on the District of Columbia in checking the accounts between the District of Columbia and the Federal Government there has been recovered for the Federal Government sums that in the aggregate run over \$2,000,000.

Prior to the Sixty-fifth Congress there was recovered in connection with the Government Hospital for the Insane \$719,535; relief of poor account, 1879, \$3,825; error, deduction from revenue, 1897, \$8,952; interest paid on last two items, \$2,810; Washington Market Co., part rental, \$166,012; Washington Market Co., future rentals \$202,500; interest on 3.65 bonds, \$586,067; and the Government Hospital for Insane, \$282,754; or a total prior to the Sixty-fifth Congress of \$1,972,458. Recovered during Sixty-fifth Congress on account of court fines

in United States cases the sum of \$235,750, or a total of \$2,208,209. There was an additional indebtedness ascertained and reported to the Committee on Appropriations in December, 1917, on account of construction and equipment of District jail, \$125,000, and loan made by act of April 18, 1874, of \$97,740, or a total of \$222,740. Incomplete investigation indicates that there will be further recoveries of some \$300,000.

Mr. MADDEN. Will the gentleman yield?

Mr. SHERLEY. Now, in the face of that showing, the committee did not feel warranted in denying this very small amount of money for the continuation of this investigation.

Mr. MADDEN. The committee concluded after its investigation that the expenditure of this \$5,000 would result in yielding to the Treasury of the United States some \$300,000 or \$400,000.

Mr. SHERLEY. That was the conclusion on the presentation made to us by the chairman of the Committee on the District of Columbia.

Mr. MADDEN. Certainly, if that can be brought about, it is well worth the expenditure of \$5,000.

Mr. SANFORD. Mr. Chairman, it is not my purpose to say anything, because I really have not an opinion as to the merits of this question. I do, however, wish to call to the attention of the committee what the action of Congress has been on this subject.

The gentleman from Kentucky [Mr. SHERLEY] says that what he has said is only to be understood as justifying the action of his committee. Of course, it must occur to everyone of us that if a committee of this House is to authorize the expenditure of public moneys out of the contingent fund that action should not come at the instance of the Appropriations Committee. At the close of the last Congress the House gave particular attention to that very subject and to the continuance of this appropriation, which has been running since 1916. Since that time this committee has spent considerable sums of money in investigating the bookkeeping between the Federal Government and the District of Columbia, and at the close of the Sixty-fourth Congress this matter was presented in detail and the House, by a very large vote, on the very last night of the session, and after considering all of the facts, voted against a continuance of this expenditure.

It is not my purpose to say that this money is not wisely spent. I can only say as a member of the Committee on Accounts that I do not know how it is spent; nor is it a matter of my concern; but I do think it is a matter for the concern of the Congress that moneys that are spent in this way by committees of Congress should be spent in a manner that can be said to be duly authorized.

Mr. SHERLEY. If the gentleman will permit—

Mr. SANFORD. It does not seem to me that these expenditures are duly authorized when they are brought in here originally as items in a deficiency bill. I do not approve of that method of doing business. In the first place, there is a vast sum of money, I do not know how much, that is appropriated annually for the support of what we call the Auditor for the State and Other Departments, a public officer, a public bureau of the Government, especially created to do this work. For a committee of Congress to come in here and say that that public bureau of the Government has authorized somebody to run through that \$2,000,000 and not have an investigation of it, on its face shows a bad performance of public business. If the auditors of the State and of other departments are not doing their public duties, they should be removed from office. If they are permitting anybody to take \$2,000,000 of the public funds, then this very committee, that has been operating since 1916, should make a report to this Congress, and with the facts before us we should act. I do not believe in letting anybody run away with \$2,000,000 or more—

Mr. SHERLEY. If the gentleman will permit, it is not a question of what the present auditors are doing, it is a question of what has happened in the past, and this has been a checking up that has resulted in recovering a large amount of money. Now, the plain facts speak for themselves, and in view of the statements made we were warranted in presenting to the House an appropriation of \$5,000, not out of the contingent fund but out of the Treasury of the United States, to carry on this work.

Mr. SANFORD. Will the gentleman let me say to him in answer to that, so far as I know, no facts appear. The gentleman has read a statement of large and appalling figures but with this committee at work since the time it was authorized, in 1916, in the last Congress, if we want to see the facts appear, those facts should appear in the report of that committee; but there is no report of that committee.

Mr. SHERLEY. I know how the facts appear, because the Committee on Appropriations have carried the provisions, as

they are carrying them now, which charge to the District of Columbia the difference and credit it to the Government of the United States.

Mr. SANFORD. I know those facts may appear to the gentleman and his committee.

Mr. SHERLEY. They are in the law. They ought to appear also to the gentleman, if he will read the law.

Mr. SANFORD. They ought not to appear to the gentleman in the sense in which the chairman of the committee speaks. Also, if this committee has accomplished this purpose and these results, those results should appear in the report of the committee. I think it is a bad policy to allow a committee of this Congress from time to time to continue the expenditure of public money for doing a public work of this kind without having its results appear in a formal report. I believe investigating committees should be appointed occasionally by this Congress, but when appointed they should report and the Congress should know what they are doing, and it should know from their own statements. The same statement the gentleman makes now was made in the Sixty-fourth Congress, and since that time I have seen no report of the committees. I do not wish to be considered as occupying the position of criticizing anything that has been done by this committee or by this subcommittee; but inasmuch as this item for a long time was carried out of the contingent fund of the House, I think when the House refused to carry it further, if it were to be taken up again, it should have been taken up by the appropriate committee, which is the Committee on Accounts.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

For folding speeches and pamphlets, at a rate not exceeding \$1 per thousand, \$12,000.

Mr. SHERLEY. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The gentleman from Kentucky offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. SHERLEY: Page 81, line 18, after the sum "\$12,000" insert the following: "to continue available during the fiscal year 1919."

Mr. SHERLEY. Mr. Chairman, that relates to the item for folding speeches and pamphlets. Some of this expenditure will be after July 1. The amendment is to make it available during the next fiscal year.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Office of the Clerk: For two additional telephone operators from March 1 to June 30, 1918, inclusive, at the rate of \$900 per annum each, \$600.

Mr. SANFORD. Mr. Chairman, I make the point of order to this item.

The CHAIRMAN. The gentleman from New York makes a point of order on the item.

Mr. SHERLEY. Mr. Chairman, I think the matter is subject to a point of order, but I would like to make this statement to the gentleman as to why it is carried in the bill.

Mr. SANFORD. I will reserve the point of order.

Mr. SHERLEY. This provision has already passed the Senate, and representations were made to the committee that there was a great complaint touching the telephone service that was being secured, and that the number of calls coming in and going out of the Capitol and the office buildings had tremendously increased. The head operator of the exchange testified that it was impossible to do the work with the force which she had available, and from the experience that the Members themselves had had it became apparent that there was need of additional operators. For that reason we felt warranted in presenting it to the House, realizing that it was subject to a point of order.

Mr. SANFORD. Does not the gentleman think that this item would just as speedily be taken care of by the Committee on Accounts by providing that the operators should be taken care of out of the contingent fund of the House?

Mr. SHERLEY. No. The Committee on Accounts has no jurisdiction over the employees of the House except as they are paid from the contingent fund.

Mr. SANFORD. This is out of the contingent fund.

Mr. SHERLEY. This paragraph appropriates directly out of the Treasury. The gentleman is making the contingent fund cover too much.

Mr. SANFORD. I hope the chairman of the committee will not say that. The work which I have to do on the Committee on Accounts is not great at all. It is almost ridiculous in amount.

Mr. SHERLEY. I do not want to be disagreeable. What I mean to say is that the question of the employees of the House is not one that rests with the gentleman's committee except when they are paid from the contingent fund. I do not think that the gentleman should be sensitive about how this item is carried. It is carried here for the convenience of the membership of the House. It is probably subject to a point of order. If anybody desires to make it, all right.

Mr. SANFORD. I do not feel sensitive. On the contrary, I feel that the employment of these telephone operators belongs to the Committee on Accounts, in spite of all that is said to the contrary. I believe that they could be paid out of the contingent fund, and should be paid in that way.

The CHAIRMAN. The point of order is sustained. The Clerk will read.

The Clerk read as follows:

Office of the Public Printer: For five additional clerks, at the rate of \$1,000 each per annum, from April 1 to June 30, 1918, inclusive, \$1,250.

Mr. MOORE of Pennsylvania. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Pennsylvania moves to strike out the last word.

Mr. MOORE of Pennsylvania. It is presumed that these five additional clerks will have something to do with the CONGRESSIONAL RECORD, and that is the subject that I want to draw to the attention of the committee at the present time.

This Congress has been passing some extraordinary laws and will pass a number of others, and I have found in frequent conversation with constituents and others who come to me that the public generally is not advised as thoroughly as it ought to be about the importance of some of these laws. The other night in a small conference I drew attention to the fact that a bill was shortly to be considered which contemplated an appropriation of \$500,000,000, with authority to expand an incorporation to the \$4,000,000,000 limit, and that it would have control of the issue of all future bonds and stocks. Several gentlemen said they had never heard of the proposition. It was new to them. It startled them, and they wanted to know more about it. That is the trouble with the average citizen of the United States. He does not follow the proceedings of Congress as he ought to do. They do not read the CONGRESSIONAL RECORD. Of course all of them can not get on the list.

My quota of the CONGRESSIONAL RECORD, for instance, is exhausted, but I am constantly in receipt of inquiries from all over the district as to additional copies. I find on inquiry to-day that the CONGRESSIONAL RECORD itself, even to the limited issue of 30,000 or 35,000 copies, is not being sent out from the city of Washington.

You gentlemen who sit here and make interesting speeches and take the trouble to dig out important data—as important for the country as it is for the Congress—may be amazed to know that the information which goes into the CONGRESSIONAL RECORD has not been sent to your constituents for more than two weeks. The CONGRESSIONAL RECORD has not been going to Texas since the 1st of February. It has not been going to California since the 1st of February, and I may add, since the gentleman from New York is interested, that it has not been going to New York since the 1st of February. Even the newspaper offices are not getting it; and to that extent what is going on in Congress is not known to the people of the United States, except we rely upon the necessarily meager but competent reports of our friends in the press gallery.

Mr. MADDEN. Mr. Chairman, will the gentleman yield for a question?

Mr. MOORE of Pennsylvania. I yield to the gentleman from Illinois.

Mr. MADDEN. But while the Public Printer is unable to send out the CONGRESSIONAL RECORD on account of a desire to save paper, the Bureau of Information and all the departments are running press bureaus at the cost of the people, and sending unlimited quantities of printed matter all over the United States.

Mr. MOORE of Pennsylvania. The gentleman is making a part of my speech and doing it better than I can. I intended to call the attention of the other side of the House to that, that hundreds of thousands of various publications issued by the Bureau of Information are going all over the United States, and—

Mr. GORDON. Mr. Chairman, will the gentleman yield there—

Mr. MOORE of Pennsylvania. And probably clogging the mails, while that one vehicle of authentic information to the people of the United States, the CONGRESSIONAL RECORD, is not going out at all.

Now I yield to my friend from Ohio.

Mr. GORDON. Has the circulation of the CONGRESSIONAL RECORD through the mails been stopped by the post-office censor?

Mr. MOORE of Pennsylvania. I have been unable to ascertain, but I do know that the post-office censor has been stopping the use of the mails to various publications, some of them socialistic, to be sure; but various publishers throughout the country have been complaining that the mails have been denied to them because what they publish is not satisfactory to the Postmaster General. Now, the question naturally arises as to whether too much information is going into the CONGRESSIONAL RECORD to suit the authorities.

Mr. GORDON. I have noticed that there has been a little socialistic trend to some of the speeches printed in the RECORD. Does the gentleman know whether that has had anything to do with the stopping of it?

Mr. MOORE of Pennsylvania. I do not know, but there is free speech in the CONGRESSIONAL RECORD, on both sides of all questions, and all sides of every question, and that ought to go to the public. Members of Congress can here, and, perhaps, here only, speak fully and freely upon public questions. This is because of the limitations and censorship that prevail in other directions.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. CAMPBELL of Kansas. I ask unanimous consent that the gentleman's time be extended one minute. I want to ask him a question.

The CHAIRMAN. The gentleman from Kansas asks unanimous consent that the time of the gentleman from Pennsylvania be extended one minute. Is there objection?

Mr. WALSH. Reserving the right to object, I think he ought to have a longer extension than that, because there are other gentlemen who would like to ask him questions. I ask that his time be extended five minutes.

Mr. BARNHART. Mr. Chairman, if I can get the floor I can explain this thing in two minutes.

The CHAIRMAN. The gentleman from Massachusetts asks unanimous consent that the time of the gentleman from Pennsylvania be extended five minutes. Is there objection?

There was no objection.

Mr. MOORE of Pennsylvania. Now, I yield to the gentleman from Kansas.

Mr. CAMPBELL of Kansas. It has been stated by the gentleman from Pennsylvania that the CONGRESSIONAL RECORD is not now being circulated through the mails.

Mr. MOORE of Pennsylvania. The CONGRESSIONAL RECORD should not be suppressed. It is the one great reliable vehicle of information by which Members can express themselves to their constituents and to the country.

Mr. CAMPBELL of Kansas. But the gentleman states that it is not being circulated through the mails. I assume that that is to save space in the transportation facilities. Does the gentleman's information disclose a statement that is being circulated that literally tons of printed matter containing speeches made by a Cabinet officer are now being circulated in the trenches in France?

Mr. MOORE of Pennsylvania. I have heard that one use of our aeroplanes was to carry material over Germany and drop it there.

Mr. CAMPBELL of Kansas. This is not for the use of Germany or Germans. This is for the use of American soldiers who will be at home to vote in 1920.

Mr. MOORE of Pennsylvania. I do not know that, but have heard that millions of speeches have recently been printed and are to be circulated. Soldiers may be getting some of them in anticipation of the election.

Mr. WALSH. Will the gentleman yield?

Mr. MOORE of Pennsylvania. I yield to the gentleman from Massachusetts.

Mr. WALSH. Does not the gentleman know that the reason for the suspension of the printing of the full number of copies of the daily RECORD is because of the shortage of the kind and quality of white print paper that is used for that publication, and does he not know that recently a new supply has been secured, and that now the back numbers of the CONGRESSIONAL RECORD are being sent out?

Mr. MOORE of Pennsylvania. If that is true that will help to explain the situation, but I call the attention of the gentleman to the fact that the Government Printing Office is running full tilt printing all kinds of publications for the departments and sending out more than the average Member of Congress can comprehend.

Mr. WALSH. Just one further question. Are not these highly intelligent communities which the gentleman has mentioned—Philadelphia, Texas, and New York—

Mr. MOORE of Pennsylvania. The gentleman had better include Boston.

Mr. WALSH. And Boston and Cape Cod, these places that the gentleman mentions as having been deprived of this publication, are they not getting along pretty well without it?

Mr. MOORE of Pennsylvania. They may have gotten along very well, but I wish to say that some inquiries have come from the vicinity of Cape Cod as to why the RECORD did not appear with the daily objections of the gentleman from Massachusetts. [Mr. WALSH.] [Laughter.]

Mr. GREEN of Iowa. Will the gentleman yield?

Mr. MOORE of Pennsylvania. I yield to the gentleman from Iowa.

Mr. GREEN of Iowa. The gentleman from Kansas asserts that tons of the speeches of a certain Cabinet officer are going over to our soldiers in France. Can the gentleman explain, when we can not get letters or packages to the soldiers in France, how this kind of literature is enabled to go there?

Mr. MOORE of Pennsylvania. I am not sure that this is a postal question. The gentleman from Iowa raises the important point that the post office is involved in this proposition. It may be or may not be. It is true that the post office does have time and facilities to deliver a great variety of speeches. If rumor be true, one of them is by a former governor of New York, which got into the RECORD a few days ago under conditions described here yesterday. It was a partisan speech by a vigorous Democrat.

Mr. BARNHART. Mr. Chairman, the explanation of this much ado about nothing consists in the fact that the paper on which the daily RECORD is printed is a 35-pound quality of paper not used for printing anything else in the Government Printing Office. It is paper that is tough but very light.

Mr. HAMILTON of Michigan. It needs to be tough. [Laughter.]

Mr. BARNHART. It has to be tough. [Laughter.] It is contracted for by the year, and by reason of the very severe storms and railway blockade the shipment of paper has been tied up on railway sidings. The Government Printing Office and the Public Printer came before the Committee on Printing with the proposition that either we should run out of paper entirely and have to suspend the publication of the RECORD altogether or stop printing that part that went out by mail from Washington, until the blockade was broken. The blockade has been broken, the delayed paper is coming in, and the RECORDS are now going out day after day. The daily RECORD is being printed in numerical order and is being sent out as rapidly as possible.

Mr. MOORE of Pennsylvania. Will the gentleman yield?

Mr. BARNHART. Yes.

Mr. MOORE of Pennsylvania. Is not the CONGRESSIONAL RECORD printed on the same kind of paper as are the President's addresses?

Mr. BARNHART. No; this paper for the temporary RECORD is a paper used for this purpose only.

Mr. MOORE of Pennsylvania. Do not they use the same kind of paper for the addresses of certain Cabinet officers now being widely circulated?

Mr. BARNHART. I do not know, but think not.

Mr. MOORE of Pennsylvania. Is it true that hundreds of thousands of those addresses are being circulated and that they find paper for that purpose?

Mr. BARNHART. The Bulletin is printed on a heavy quality of paper of which the Government has an abundance, but we could not use it for the RECORD on account of the great bulk resultant.

Mr. HAMILTON of Michigan. Might not the suspension of the RECORD, which the gentleman refers to, have a very beneficial effect on the committee by curtailing debate on the floor of the House and elsewhere? [Laughter.]

Mr. BARNHART. My friend from Michigan is frequently right, and I think he is in this case.

The Clerk read as follows:

For equipment, material, and supplies for distribution of public documents, \$750.

Mr. WALSH. Mr. Chairman, I move to strike out the last word. I notice that this item is for the distribution of public documents, and it seems that public documents, if printed, should be distributed. Of course, complaint is occasionally made if the CONGRESSIONAL RECORD is not sent out containing the debates and proceedings of Congress, and I think perhaps the criticism offered by the gentleman from Pennsylvania [Mr. MOORE], that the RECORD had not been sent out, was in this instance well taken, but the reason for its suspension has been given by the gentleman from Indiana [Mr. BARNHART]. It happens that during the period that the publication of the RECORD

was suspended during the last two weeks certain criticisms were directed from the floor of the House at certain governmental activities at a place called Hog Island; and it is a shame that the people of Pennsylvania were deprived of learning what had been said here about those activities and how they impressed the Members of this House. And so, in view of what has been said by the gentleman from Indiana [Mr. BARNHART], I am sure that the gentleman from Pennsylvania rejoices that his constituents and the constituents of his distinguished colleagues from that great Commonwealth are not longer to be kept in darkness as to what we in the American Congress think of the disclosures that have come from investigation of the governmental activities at that very busy and well-known point.

Mr. MOORE of Pennsylvania. Mr. Chairman, I rise to oppose the pro forma motion. It is true the Hog Island shipyard is being built near Philadelphia. It is being constructed by the Government, or by contractors acting under direction of the Shipping Board, and is destined to be the greatest shipbuilding plant of the country. It is located on the Delaware River, where all that is hoped for it may be easily realized. For whatever scandal attaches to the work thus far, Philadelphia is not responsible. Whatever Philadelphia has done in furnishing men and material is highly creditable and as patriotic as the gentleman from Massachusetts could desire. For whatever is discreditable I shall have to refer the gentleman from Massachusetts to the "big brains" from New York and Boston, who secured the contracts and who may advise him as to "the ways that are dark."

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 2. That all branches of the government of the District of Columbia shall be considered a governmental establishment for the purposes of section 7 of the deficiency appropriation act approved October 6, 1917.

Mr. FESS. Mr. Chairman, I move to strike out the last word for the purpose of asking the gentleman from Kentucky a question, whether there has been any provision or likely to be made with reference to facilities for the Federal Board for Vocational Education?

Mr. SHERLEY. I will say to the gentleman that when we finish the reading of the bill I propose to ask unanimous consent to return to page 3 for the purpose of inserting a provision making \$3,095 of their funds available for payment of rent here in the District of Columbia.

The Clerk concluded the reading of the bill.

Mr. GREEN of Iowa. Mr. Chairman, on page 75 there was a point of order pending, interposed by myself, to the first paragraph under the heading "Department of Agriculture." I desire to withdraw that point of order.

The CHAIRMAN. The gentleman from Iowa withdraws his point of order.

Mr. SHERLEY. Mr. Chairman, I ask unanimous consent to return to page 3 of the bill for the purpose of offering an amendment after line 25, as follows.

The CHAIRMAN. The gentleman from Kentucky asks unanimous consent to return to page 3 of the bill for the purpose of offering an amendment. Is there objection? [After a pause.] The Chair hears none, and the Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. SHERLEY: Page 3, after line 25, insert the following:

"Federal Board for Vocational Education: Not to exceed \$3,395 of the appropriation contained in section 7 of the act entitled 'An act to provide for the promotion of vocational education, etc.' approved February 23, 1917, shall be available for the rental of quarters in the District of Columbia for the said board from the date of its organization until June 30, 1918."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. SHERLEY. Mr. Chairman, I move that the committee do now rise and report the bill with amendments to the House, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly, the committee rose; and the Speaker having resumed the chair, Mr. GARNER, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 9867, the urgent deficiency bill, and had directed him to report the same back to the House, with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The SPEAKER. Is a separate vote demanded on any amendment? If not the Chair will put them en masse. [After a pause.] The question is on agreeing to the amendments.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. SHERLEY, a motion to reconsider the vote by which the bill was passed was laid on the table.

HOUSING OF SHIPBUILDING EMPLOYEES.

Mr. ALEXANDER. Mr. Speaker, I present for printing under the rule a conference report on the bill (H. R. 3389) to authorize and empower the United States Shipping Board Emergency Fleet Corporation to purchase, lease, requisition, or otherwise acquire improve, or unimproved land, houses, and buildings, and for other purposes.

EXTENSION OF REMARKS.

Mr. BORLAND. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record by printing an address which I delivered to a gathering of Federal employees on Friday night last.

The SPEAKER. The gentleman from Missouri asks unanimous consent to extend his remarks in the Record by printing an address he delivered last Friday night to Government clerks. Is there objection?

Mr. MADDEN. Mr. Speaker, reserving the right to object, the gentleman has made so many speeches on the subject of the Government clerks that I would like to know in what respect this differs from the others and whether it justifies printing in the Record.

Mr. BORLAND. I do not believe it would enlighten the gentleman from Illinois. It might enlighten other Members.

Mr. MADDEN. Then I object.

The SPEAKER. The gentleman from Illinois objects.

LEAVES OF ABSENCE.

By unanimous consent, leave of absence was granted to—

Mr. MILLER of Washington, from the 20th to the 26th of February, for the purpose of making patriotic addresses.

Mr. OLIVER of Alabama, at the request of Mr. ALMON, for three days, on account of important official business.

SOLDIERS AND SAILORS' CIVIL RIGHTS BILL.

Mr. SHERLEY. Mr. Speaker, I move that the House do now adjourn.

Mr. WEBB. Mr. Speaker, I hope that the gentleman will withhold that for a moment. I would like to send a bill to conference.

Mr. SHERLEY. I have no objection, but I was requested by the majority leader to adjourn the House without the consideration of unanimous-consent requests.

Mr. WEBB. This is not an ordinary unanimous-consent request. I want to send a bill to conference, and I know the majority leader has no objection, in view of the demand for this legislation.

The SPEAKER. What is the request?

Mr. WEBB. That the bill H. R. 6361, known as the soldiers and sailors' civil rights bill, be taken from the Speaker's table, that the Senate amendments be disagreed to, and ask for a conference.

The SPEAKER. The Clerk will report the bill by title.

The Clerk read as follows:

A bill (H. R. 6361) to extend protection to the civil rights of members of the Military and Naval Establishments of the United States engaged in the present war.

The SPEAKER. The gentleman from North Carolina asks unanimous consent to take this bill from the Speaker's table, disagree to the Senate amendments, and ask for a conference. Is there objection? [After a pause.] The Chair hears none. The Chair announces the following conferees.

The Clerk read as follows:

Mr. WEBB, Mr. CARLIN, and Mr. VOLSTEAD.

Mr. SIMS. Mr. Speaker, I ask unanimous consent that the House meet at 11 o'clock to-morrow, in order to begin the consideration of the railroad bill.

Mr. MADDEN. Mr. Speaker, I object.

The SPEAKER. The gentleman from Illinois objects.

Mr. SHERLEY. Mr. Speaker, I renew my motion.

ADJOURNMENT.

The motion was agreed to; accordingly (at 5 o'clock and 36 minutes p. m.) the House adjourned until to-morrow, Tuesday, February 19, 1918, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1. A letter from the Acting Secretary of the Treasury, transmitting copy of communication from the Postmaster General

submitting a supplemental estimate of appropriation required by the Post Office Department for mail bags and equipment, Postal Service, for the fiscal year 1918 (H. Doc. No. 940); to the Committee on Appropriations and ordered to be printed.

2. A letter from the Secretary of the Treasury, transmitting copy of a communication of the Secretary of War submitting an urgent-deficiency estimate of appropriation required by the Engineer Department for the fiscal year ending June 30, 1918 (H. Doc. No. 941); to the Committee on Appropriations and ordered to be printed.

3. A letter from the Acting Secretary of the Treasury, transmitting copy of communication from the Secretary of the Interior submitting a proposed clause of legislation for inclusion in the urgent-deficiency bill, authorizing certain increases in compensation of employees at St. Elizabeth Hospital for the fiscal year 1918 (H. Doc. No. 942); to the Committee on Appropriations and ordered to be printed.

4. A letter from the Secretary of the Treasury, transmitting copy of communication from the Secretary of the Navy submitting supplemental estimates of appropriation required by the Naval Establishment for the fiscal year 1919 (H. Doc. No. 943); to the Committee on Naval Affairs and ordered to be printed.

5. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, report on preliminary examination of Black River and Renton Harbor, Wash. (H. Doc. No. 944); to the Committee on Rivers and Harbors and ordered to be printed.

6. A letter from the Secretary of the Treasury, transmitting tentative draft of provision for inclusion in sundry civil appropriation bill to authorize the purchase of vehicles for use of the Public Health Service (H. Doc. No. 945); to the Committee on Appropriations and ordered to be printed.

7. A letter from the Secretary of the Interior, transmitting lists of documents and files of papers which are not needed or useful in the transaction of the current business of the department and have no permanent value or historical interest (H. Doc. No. 946); to the Committee on Disposition of Useless Executive Papers and ordered to be printed.

8. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, reports on preliminary examination and survey of Port Watsonville Harbor, Cal., and Santa Cruz Harbor, Cal., including a breakwater (H. Doc. No. 947); to the Committee on Rivers and Harbors and ordered to be printed, with illustrations.

9. A letter from the Secretary of the Treasury, transmitting copy of a communication from the Secretary of Commerce submitting supplemental estimates of appropriation required by the Department of Commerce for the fiscal year 1918 (H. Doc. No. 948); to the Committee on Appropriations and ordered to be printed.

10. A letter from the Secretary of the Treasury, transmitting copy of a communication from the President submitting estimates of appropriations received from the chairman of the War Trade Board, years 1918 and 1919 (H. Doc. No. 949); to the Committee on Appropriations and ordered to be printed.

11. A letter from the Secretary of the Treasury, transmitting copy of communication from the Secretary of Labor submitting supplemental estimates of appropriations required by the Department of Labor for the fiscal year 1918 (H. Doc. No. 950); to the Committee on Appropriations and ordered to be printed.

12. A letter from the Secretary of the Treasury, transmitting copy of communication from the Secretary of Labor submitting supplemental estimates of appropriation required by the Department of Labor for the fiscal year 1919 (H. Doc. No. 951); to the Committee on Appropriations and ordered to be printed.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 9942) granting a pension to Deniver Moore; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 4964) granting a pension to Mrs. Nannie A. Smith; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 8035) granting an increase of pension to James Lynch, late a member of the United States Marine Corps; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. DILL: A bill (H. R. 9955) granting certain lands to the State of Washington for park purposes; to the Committee on the Public Lands.

By Mr. MAPES: A bill (H. R. 9956) to provide for the building of houses within the District of Columbia for Government employees and others; to the Committee on the District of Columbia.

By Mr. HARRISON of Virginia: A bill (H. R. 9957) to define necessary skilled labor engaged in necessary agricultural enterprise for the purposes of the selective draft, and to provide for the deferred classification of such labor; to the Committee on Military Affairs.

By Mr. DENT: A bill (H. R. 9958) to increase the efficiency of the Quartermaster Corps; to the Committee on Military Affairs.

By Mr. SHERWOOD: A bill (H. R. 9959) increasing rates of pension of soldiers and sailors of the Civil War; to the Committee on Invalid Pensions.

By Mr. KALANIANAOLE: A bill (H. R. 9960) to prohibit the sale, manufacture, and importation of intoxicating liquors in the Territory of Hawaii during the period of the war; to the Committee on the Territories.

By Mr. VENABLE: A bill (H. R. 9961) for the education and relief of the Choctaw Indians of Mississippi; to the Committee on Appropriations.

By Mr. ALEXANDER: A bill (H. R. 9962) to amend sections 12 and 13 of an act entitled "An act to authorize the President to increase temporarily the Military Establishment of the United States," approved May 18, 1917; to the Committee on Military Affairs.

By Mr. DENTON: A bill (H. R. 9963) to divide the judicial district of Indiana into divisions, and for other purposes connected therewith; to the Committee on the Judiciary.

By Mr. OSBORNE: A bill (H. R. 9964) authorizing and empowering the President of the United States, within his discretion, to appoint, by and with the advice and consent of the Senate, any officer of the Regular Army, either on the active or retired list, who entered the volunteer service in April, 1861, and so continued until November, 1865, and attained the grade of major of Volunteers, to the grade of brigadier general on the retired list; to the Committee on Military Affairs.

By Mr. FLOOD: A bill (H. R. 9965) to define necessary skilled labor engaged in necessary agricultural enterprise for the purposes of the selective draft, and to provide for the deferred classification of such labor; to the Committee on Military Affairs.

By Mr. BAER: A bill (H. R. 9966) to provide further for the national security and defense and to further assure an adequate supply of food and feed by stimulating agriculture and by providing means for the purchase of seed and feed, and for other purposes; to the Committee on Agriculture.

By Mr. CALDWELL: A bill (H. R. 9967) for the improvement of Newtown Creek, N. Y.; to the Committee on Rivers and Harbors.

By Mr. SHOUSE: A bill (H. R. 9968) to amend and reenact sections 5235 and 5236, Revised Statutes of the United States; to the Committee on Banking and Currency.

By Mr. LANGLEY: A bill (H. R. 9969) increasing rates of pensions of soldiers and sailors of the Civil War; to the Committee on Invalid Pensions.

By Mr. CAMPBELL of Pennsylvania: A bill (H. R. 9970) to provide for the appointment of an additional district judge in and for the western district of Pennsylvania; to the Committee on the Judiciary.

By Mr. LEVER: A bill (H. R. 9971) to provide further for the national security and common defense by the conservation of foodstuffs, feeds, and materials necessary for the production, manufacture, and preservation of foodstuffs and feeds; to the Committee on Agriculture.

By Mr. POU: Resolution (H. Res. 252) making in order certain items of appropriations in House bill 9867; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. AUSTIN: A bill (H. R. 9972), granting a pension to Elizabeth L. M. Miller; to the Committee on Pensions.

By Mr. CAMPBELL of Kansas: A bill (H. R. 9973) granting a pension to D. J. Sheedy; to the Committee on Pensions.

By Mr. CARY: A bill (H. R. 9974) granting an increase of pension to W. Y. Richardson; to the Committee on Invalid Pensions.

By Mr. DECKER: A bill (H. R. 9975) granting a pension to Ann F. Wise; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9976) granting an increase of pension to Salinda Ragsdale; to the Committee on Invalid Pensions.

By Mr. DILL: A bill (H. R. 9977) granting an increase of pension to Henry C. Fuson; to the Committee on Invalid Pensions.

By Mr. GEORGE W. FAIRCHILD: A bill (H. R. 9978) granting an increase of pension to Gilbert Joslin; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9979) granting an increase of pension to Charles H. Peck; to the Committee on Invalid Pensions.

By Mr. GODWIN of North Carolina: A bill (H. R. 9980) granting a pension to George W. Houston; to the Committee on Pensions.

By Mr. HAMILTON of Michigan: A bill (H. R. 9981) granting a pension to Emma L. Randall; to the Committee on Invalid Pensions.

By Mr. HELVERING: A bill (H. R. 9982) granting an increase of pension to Mortimer L. Woodward; to the Committee on Invalid Pensions.

By Mr. LANGLEY: A bill (H. R. 9983) granting an increase of pension to Jerry McIntosh; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9984) granting an increase of pension to Oliver R. Kazee; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9985) granting an increase of pension to William Mills; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9986) granting a pension to Clark P. Hoskins; to the Committee on Pensions.

Also, a bill (H. R. 9987) granting an increase of pension to Cornelius Meek; to the Committee on Pensions.

Also, a bill (H. R. 9988) to correct the military record of Samuel Spaulding; to the Committee on Military Affairs.

Also, a bill (H. R. 9989) granting an increase of pension to Jane Hampton; to the Committee on Pensions.

Also, a bill (H. R. 9990) granting an increase of pension to William P. Darton; to the Committee on Pensions.

Also, a bill (H. R. 9991) granting an increase of pension to James Collins; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9992) granting an increase of pension to Lemuel Jones; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9993) granting an increase of pension to Allen Farler; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9994) granting an increase of pension to Joseph Halcomb; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9995) granting an increase of pension to Anderson Boyd; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9996) granting an increase of pension to Valentine S. Brewer; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9997) granting an increase of pension to Washington Combs; to the Committee on Invalid Pensions.

By Mr. McKEOWN: A bill (H. R. 9998) granting an increase of pension to Isabella Kennedy; to the Committee on Invalid Pensions.

By Mr. NELSON: A bill (H. R. 9999) granting a pension to the widow of Frederick Stolcolp; to the Committee on Invalid Pensions.

By Mr. RAKER: A bill (H. R. 10000) for the relief of the Overland Trust & Realty Co., of Reno, Nev.; to the Committee on the Public Lands.

By Mr. SHOUSE: A bill (H. R. 10001) granting an increase of pension to Joseph W. B. McClintock; to the Committee on Invalid Pensions.

By Mr. SNOOK: A bill (H. R. 10002) granting an increase of pension to Michael Ham; to the Committee on Invalid Pensions.

By Mr. STEVENSON: A bill (H. R. 10003) granting an increase of pension to Emma L. Green; to the Committee on Pensions.

By Mr. THOMAS: A bill (H. R. 10004) granting an increase of pension to Edmon Wade West; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10005) granting an increase of pension to Andrew R. Wade; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10006) granting an increase of pension to Thessalonies Parrish; to the Committee on Pensions.

Also, a bill (H. R. 10007) granting an increase of pension to John W. Ramey; to the Committee on Pensions.

By Mr. VESTAL: A bill (H. R. 10008) granting an increase of pension to Edwin Pugh; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10009) granting an increase of pension to Philip Bergman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10010) granting an increase of pension to Henry Clark; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10011) granting an increase of pension to Charles Caddy, jr.; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10012) granting an increase of pension to Emma S. Phelps; to the Committee on Pensions.

By Mr. WASON: A bill (H. R. 10013) granting an increase of pension to Myron Rand; to the Committee on Invalid Pensions.

By Mr. WELTY: A bill (H. R. 10014) granting an increase of pension to Isaac L. Randall; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10015) granting an increase of pension to Hezekiah E. Hawver; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10016) granting a pension to John J. Ludwig; to the Committee on Pensions.

Also, a bill (H. R. 10017) granting an increase of pension to William Bannon; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10018) granting an increase of pension to William T. Bedford; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10019) to renew and extend certain letters patent; to the Committee on the Public Lands.

By Mr. WOODYARD: A bill (H. R. 10020) granting an increase of pension to Samuel Smith; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. CARY: Memorial of the Religious Publicity Service, New York City, favoring the appointment of more chaplains in the Army; to the Committee on Military Affairs.

Also, resolution of the Federated Trades Council of Milwaukee, opposing some of the present proposed limitations aimed at labor and the rights of the laborer; to the Committee on Labor.

Also, resolutions of the Farmers' Cooperative Grain Dealers' Association, asking that the Interstate Commerce Commission be allowed to retain its power in rate hearings and regulations and opposing the guaranty by the Government of a certain dividend to the stockholders of railroads; also, a memorial of the various organizations of railroad employees, urging that no definite time be fixed for the return of the railroads to their owners; to the Committee on Interstate and Foreign Commerce.

Also, memorial of Railway Mail Association, tenth division, Wisconsin branch, asking for increased compensation for railway mail employees; also, a memorial of the same import from the Railway Mail Association, tenth division, Illinois branch; to the Committee on the Post Office and Post Roads.

By Mr. DALE of New York: Memorial of the United Mine Workers of America, indorsing Senate bill 2854; to the Committee on Immigration and Naturalization.

Also, petition of J. L. Brownlee, Pittsburgh, Pa., favoring the Kelly bill for Federal acquisition of natural resources; also, the memorial of the various organizations of railroad employees, opposing the naming of a fixed date at which the railroads will be returned to their owners; also, a resolution of the Farmers' Cooperative Grain Dealers' Association, favoring the retention of powers of the Interstate Commerce Commission and opposing the guaranteeing to railroad stockholders a certain dividend; to the Committee on Interstate and Foreign Commerce.

Also, petition of Lewis L. Young, Brooklyn, N. Y., protesting against the Borland eight-hour amendment; to the Committee on Agriculture.

By Mr. DALE of Vermont: Resolution of the Board of Trade of Brattleboro, Vt., favoring the passage of the Madden bill to increase the compensation of postal employees; to the Committee on the Post Office and Post Roads.

By Mr. FOSS: Petition of the letter carriers of the North Halstead Postal Station, Chicago, Ill., favoring H. R. 9414, the Madden bill; to the Committee on the Post Office and Post Roads.

By Mr. FULLER of Illinois: Petition of the United Mine Workers of America for S. 2854; to the Committee on Immigration and Naturalization.

Also, memorial of the Ladies' Auxiliary of the Presbyterian Church of Cloquet, Minn., urging the repeal of the second-class postage provisions of the war-revenue act; to the Committee on Ways and Means.

By Mr. GALLIVAN: Resolution of the Farmers' Cooperative Grain Dealers' Association against taking from the Interstate Commerce Commission its powers in rate hearings and regula-

tion, also against assuring a certain dividend to the stockholders of the railroads; to the Committee on Interstate and Foreign Commerce.

Also, resolution of the Massachusetts Dairymen's Association protesting against any change in the present laws relating to the manufacture, or sale of, or tax on oleomargarine; to the Committee on Agriculture.

By Mr. GORDON: Resolution of the council of the city of Cleveland, Ohio, urging legislation immediately to take over the operation of the telephone and telegraph systems of the country; to the Committee on Interstate and Foreign Commerce.

Also, resolutions of the council of the city of Cleveland, Ohio, urging the recognition of Bohemia-Slovak State; to the Committee on Foreign Affairs.

By Mr. HAMILTON of Michigan: Petition of the members of the Three Rivers (Mich.) Auxiliary Conference Women's Home Missionary Society, protesting against the passage of S. 3476, to allow the construction of railroad tracks in square No. 673, Washington, D. C.; to the Committee on the District of Columbia.

By Mr. LONERGAN: Petition of Woman's Committee, State Council of Defense of Connecticut, for the diversion of tobacco lands in the United States to the cultivation of foodstuffs; to the Committee on Agriculture.

By Mr. MOORE of Pennsylvania: Resolutions of the Philadelphia Maritime Exchange, indorsing the action of the Miami convention of the Deeper Waterways Association; to the Committee on Rivers and Harbors.

By Mr. O'SHAUNESSY: Memorial of the Bohemian National Alliance, State of Connecticut, urging the United States to assure the formation of an independent Czecho-Slovak State; to the Committee on Foreign Affairs.

Also, memorial of the Woman's Christian Temperance Union of Rhode Island, favoring the prohibition bill for the Hawaiian Islands; to the Committee on the Judiciary.

Also, memorial of Railway Mail Association, first division, Providence branch, favoring increased compensation to railway mail clerks; to the Committee on the Post Office and Post Roads.

Also, memorial of Newport Horticultural Society, favoring S. 3344, prohibiting the importation of nursery stock; to the Committee on Agriculture.

By Mr. PRATT: Petition of William Longwell, Joseph Maloney, and sundry other citizens of Bath, Avoca, and Buffalo, N. Y., favoring universal military service; to the Committee on Military Affairs.

Mr. STEELE: Memorial of the Methodist Ministers' Associations of Hazleton, Pa., and surrounding districts, protesting against Senate bill 3476, authorizing the running of railroad tracks across First Street, in the city of Washington; to the Committee on the District of Columbia.

By Mr. TILSON: Petition of Gymnastic Slovak Lokol of Bridgeport, Conn., in behalf of Bohemian independence; to the Committee on Foreign Affairs.

By Mr. VARE: Memorial of the United Mine Workers of America, approving Senate bill 2854; to the Committee on Immigration and Naturalization.

Also, memorial of Philadelphia Maritime Exchange, indorsing resolutions of Atlantic Deeper Waterways' Association; to the Committee on Rivers and Harbors.

Also, memorial of Central Labor Union of Philadelphia, denouncing attacks made against organized labor by the Postmaster General; to the Committee on the Post Office and Post Roads.

SENATE.

TUESDAY, February 19, 1918.

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

Almighty God, we are here petitioners before Thy throne. Day by day we meet obligations and responsibilities that we dare not meet alone, and we seek Thy guidance and blessing. We come to Thee with no complaint, but we come with the joy of being yet unsatisfied, of believing that Thou hast larger things for us in our individual life and in our Nation. We pray Thee to lead us on in the ever-unfolding plan of the Divine will until we shall see Thy purpose accomplished in all the earth. For Christ's sake. Amen.

The Journal of yesterday's proceedings was read and approved.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the House disagrees to the amendments of the Senate to the bill (H. R. 6361) to extend

protection to the civil rights of members of the Military and Naval Establishments of the United States engaged in the present war, asks a conference with the Senate on the disagreeing votes of the two Houses thereon, and had appointed Mr. WEBB, Mr. CARLIN, and Mr. VOLSTEAD managers at the conference on the part of the House.

The message also announced that the House had passed a bill (H. R. 9867) making appropriations to supply deficiencies in appropriations for the fiscal year ending June 30, 1918, and prior fiscal years, on account of war expenses, and for other purposes, in which it requested the concurrence of the Senate.

The message further announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 3389) to authorize and empower the United States Shipping Board Emergency Fleet Corporation to purchase, lease, requisition, or otherwise acquire improved or unimproved land, houses, buildings, and for other purposes.

PETITIONS AND MEMORIALS.

Mr. MYERS. I have a short memorial from the Montana Legislature, which is now in session, to the Congress of the United States. I ask that it may be read.

The VICE PRESIDENT. Without objection, the Secretary will read.

The Secretary read as follows:

HELENA, MONT., February 16, 1918.

To the honorable Senate and House of Representatives in the Congress of the United States assembled:

Whereas the Fifteenth Legislative Assembly of the State of Montana, meeting in extraordinary session in response to a proclamation of the governor calling this body together for the consideration of measures necessary to a successful prosecution of the war, among which, of primary importance, is a bill providing for loans at low rates of interest to needy farmers for the enhancement of agricultural production in the State: Now, therefore, be it

Resolved, That the Fifteenth Legislative Assembly of the State of Montana hears with grave concern the reports from Washington of the intention of Congress to reduce a contemplated appropriation of \$750,000 toward the completion of the Flathead Reservation irrigation project, in western Montana, to \$250,000, and does hereby go on record as in favor of, and registers its wish for an appropriation of, \$750,000 for said project; and it is further

Resolved, That a failure of the Congress of the United States to make such appropriation of \$750,000 would be violative of the best interests of this Nation, a great discouragement to the farmers and to the farming interests of Montana, thereby resulting in decreased production in one of the most fertile sections of the State of Montana and, being prompted by a consideration for the best interests of this Nation and the State of Montana, demands favorable action by the United States Congress of an appropriation of \$750,000 toward the completion of the Flathead Reservation irrigation project; and it is hereby ordered that a copy of this resolution be telegraphed to the Speaker of the House of Representatives, the President of the United States Senate, with the recommendation that it be read before both bodies and referred to the proper committees.

J. F. O'CONNOR,
Speaker of House.
W. W. McDOWELL,
President of Senate.

Mr. PHELAN presented a memorial of the chamber of commerce of Riverside, Cal., remonstrating against any repeal of the advanced rates on second-class mail matter; which was referred to the Committee on Post Offices and Post Roads.

Mr. McLEAN presented a petition of the Connecticut State Branch of the United National Association of Post Office Clerks, of New Haven, Conn., praying for an increase in the salaries of postal employees; which was referred to the Committee on Post Offices and Post Roads.

He also presented petitions of the Swedish Independent Club, of New Britain; of the Equal Franchise Club, of Middletown; and of sundry citizens of New Haven, Hartford, and Woodmont, all in the State of Connecticut, praying for the submission of a Federal suffrage amendment to the legislatures of the several States; which were ordered to lie on the table.

THE CONGRESSIONAL RECORD.

Mr. GALLINGER. Mr. President, I beg the indulgence of the Senate for a moment to ask a question that concerns what I think is a very important matter.

I am receiving letters from constituents in different parts of my State saying that they have not received a copy of the CONGRESSIONAL RECORD since the 1st day of February. I made inquiry and found that, in consequence of the shortage of paper—at least, that is the reason given—the sending of the CONGRESSIONAL RECORD outside of the District of Columbia has been entirely discontinued. Mr. President, to me this is a very important matter. The CONGRESSIONAL RECORD is, I think, the only uncensored publication that we have at the present time, and certainly the people ought to have the privilege of reading it.

I presume there is a shortage of paper, perhaps to such an extent that some action of this kind becomes necessary unless